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NEWS SUMMARY

GENERAL

Mugabe puts troops on alert

Zimbabwe air force was put on alert and joint army-police units were being deployed to quash a revolt by pro-Nkomo dissidents in the west of the country.

Premier Robert Mugabe said in Zaire that the dissidents were responsible for deaths and intimidations of supporters of his majority Zanu-PF Party.

The dissidents are believed to be members of Joshua Nkomo's Zipra guerrillas. Page 2

'Bribes' challenge

Frank Turner, who is at the centre of the Rolls-Royce "bribery" row, challenged Labour MP Jeff Rooker to repeat his allegations—which he denies—outside the protection of Parliament. Page 3

S. Africa strikes

Black workers marched through Gitenhage, heart of South Africa's motor industry, as stoppages continued. Coloureds' alienation, Page 2

Labour inquiry

Report from the Labour Party's commission of inquiry calls for a three-year ban on debating the leadership, manifesto and mandatory re-selection of MPs. Page 3

Grenada killing

Grenada Government security forces shot dead Strachen Phillip, chief suspect in a bomb attack which killed two and injured 20 at a rally. Page 2

Fares battle

Cheaper domestic air fares aimed at winning business from British Rail are to be introduced next month by Dan-Air. Back Page

Troops call

New Hebrides Chief Minister Walter Lini said he wanted British troops to stay for up to two months after independence on July 30.

Iraq poll

Iraqis turned out in large numbers to vote in elections for their first national assembly for more than 20 years.

Traffic resumes

Spanish truck drivers agreed to resume transit traffic across the French border after a five-day blockade. Page 2

Porn seized

Police and customs men seized pornographic material worth thousands of pounds on the black market in three London raids.

China hits at U.S.

China criticised a U.S. decision to sell military equipment — possibly including a new jet fighter—to Taiwan.

S. Korea purge

South Korean central intelligence agency purged its 300 agents for incompetence, corruption and abuse of power.

Blaze chaos

Man whose clothing mysteriously caught fire rushed into crowds of Paris Metro travellers setting several alight.

W. Indies on top

West Indies were 265-2 (Richards 145) in reply to England's 269 at the close of the second day of the Lord's Test.

Briefly . . .

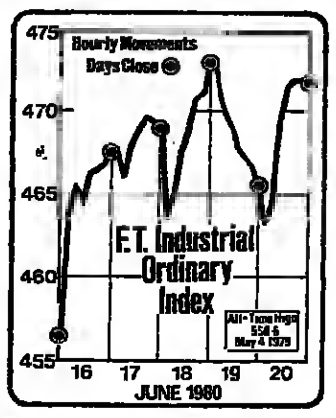
Two soldiers drowned on training exercises off west Scotland.

Train crash near Valencia, Spain, killed four and injured 20.

BUSINESS

Equities rally to 471.8; gold up

● EQUITIES saw demand revive after some mark-down in prices, and the FT 30-share index rallied 6.4 to 471.8, up 59.1 on the last 14 trading days. Gold mines regained 1.9 to 326.1. Page 24



● GILTS improved late after two new taps were announced. Longs and mediums gained up to ¾ and shorts up to ¼. The Government Securities index rose 0.58 to 70.53. Page 24

● STERLING was firmer, closing unchanged at $2.3355; while its trade-weighted index rose to 73.8 from 73.5. DOLLAR was steady, its index remaining at 83.4. Page 23

● GOLD rose $3 an ounce in London to $603.50. Page 23

● WALL STREET was 1.1 down at 869.8 before the close. Page 20

● CITIBANK, the second-largest U.S. bank, cut its prime lending rate by 0.5 per cent to 12 per cent, in line with other leading banks.

● DUTCH Central Bank is to cut bank rate by 0.5 per cent to 9.5 per cent from Monday, halting a two-year rise in interest rates.

● THE EEC had a record trade deficit of $32.83bn (£14bn) last year.

● STOCK EXCHANGE is opening a preliminary inquiry into share movements of Selection Trust, mining finance house, before a British Petroleum bid approach was announced. Back Page

● BRITISH PETROLEUM has ordered two 109,000 dwt crude oil tankers worth more than £50m with Harland and Wolff, the Belfast shipyard. Back Page

● COMPANIES will be able to obtain prior Inland Revenue clearance on plans to split into independent sub-groups by dividing or de-merging under legislation added to the Finance Bill. Page 19

● LIFEGUARD ASSURANCE, which ran into trouble in 1975, has now recovered sufficiently to repay the £1.5m put up by shareholders and others to rescue the company. Page 18

● COURTAULDS plans to close its nylon plant near Derby with the loss of 660 jobs: while Burton is to shut its clothing factory in Bolton, Lancs., cutting 750 jobs. Page 3

COMPANIES

● WEDGWOOD, the China and earthenware group, reports taxable profits down by 32 per cent at £5.81m (£8.55m) for the year to March 29. Page 18; Lex, Back Page

● RECORD RIDGWAY, hand tool manufacturer, reports pre-tax loss of £357,000 for the six months to March 30, compared with £119,000 profits a year ago. Page 18

● HONGKONG LAND, property company, plans to raise its stake in Hongkong and Kowloon Wharf and Godown Company to 49 per cent with a HK$3.3bn (£285m) offer. Back Page

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES						
Fund. 5½% 1982-84	£83¼	+ ¾		LASMO	712	+ 19
Treasury 8¼% 1997	£75½	+ ½		Cent. Pacific Mins.	£33¼	+ 1¼
BATs Defd.	276	+ 4		Charter Cons.	207	+ 9
Berisford (S. & W.)	158	+ 10		Conzinc Riotinto	282	+ 12
Camellia Invs.	450	+ 35		Esperanza Minerals	160	+ 30
Cawoods	208	+ 6		Greenvale Mining	112	+ 48
Flight Refuelling	326	+ 12		Haoma Gold	94	+ 8
GEC	394	+ 7		Int. Mining	33	+ 8
Grant Brothers	112	+ 10		MIM Holdings	283	+ 13
Grindlays Hldgs.	140	+ 12		North Broken Hill	180	+ 9
Hambros	497	+ 29		North West Mining	83	+ 14
Jardine Matheson	156	+ 19		Poseidon	183	+ 7
Kwik Save	107	+ 5		RTZ	425	+ 17
Lawtex	52	+ 4		Samantha	152	+ 10
Lloyd (F. H.)	41	+ 3½		Selection Trust	£11¾	+ 1¼
Nash (J. F.)	64	+ 4		Western Mining	265	+ 19
NatWest Bank	378	+ 6		FALLS		
Rush & Tompkins	219	+ 7		ERF	68	− 4
Stand. Tel. & Cables	355	+ 9		Hall (Matthew)	232	− 8
Unicorn Inds.	125	+ 5		Harrisons Crosfield	700	− 50
				Henderson (PC) A	160	− 25

Industry squeezed as public sector growth continues

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

THE BRUNT of the deepening recession has so far fallen on industrial output and profits. The public sector has continued to expand.

Central Statistical Office figures published yesterday show that the decline in overall economic activity and profits began in the first three months of this year.

There is increasing evidence that the downturn in demand accelerated about a couple of months ago. This has been reflected in reports of declining orders from industrialists throughout the UK and in an increasing number of redundancies.

One result is that the mid-June unemployment figures due out next Tuesday are expected to underline the current sharply rising trend after a 220,000 rise between last September and May.

The poor economic outlook was underlined in the Commons yesterday by Mr. Adam Butler, Minister of State for Industry. He warned that the next few months would be "rough and tough," with more bankruptcies, more redundancies, and more closures.

Total output as measured by real gross domestic product fell by just over ½ per cent between the October-December period of 1979 and the first three months of this year. April industrial production figures suggest there has been a further fall in overall activity since the first quarter.

ECONOMIC ACTIVITY

		Gross Domestic Product—average estimate 1975=100	Profits—indust. and commercial companies £m*
1976		103.0	11,307
1977		104.9	15,551
1978		107.9	18,421
1979		109.7	19,701
	1st	108.2	4,201
	2nd	111.6	5,232
	3rd	109.3	5,005
	4th	109.8	5,263
1980	1st	109.0	5,259

All figures seasonally adjusted; profits net of stock appreciation.
Source: Central Statistical Office

The biggest decline occurred in manufacturing output, down 3½ per cent in the first quarter.

Profits of industrial and commercial companies dropped fractionally to £5¼bn during the quarter after deducting the amount needed to cover the increase in value of stocks caused by inflation.

This undoubtedly presents too favourable a view of the underlying position. This is because profits from North Sea development are included in the total; these are likely to have risen judging by a 4 per cent increase in oil and gas output in the quarter, and the rise in oil prices.

Consequently, the profits of the rest of industry, particularly of manufacturing, are likely to have fallen in the period.

In contrast, there is little evidence yet of any squeeze on the public sector. General Government consumption — essentially the current expenditure on goods and services of local and central government—has continued to rise.

The volume of spending in the first quarter was 0.7 per cent higher than in the previous three months and 2.5 per cent higher than a year earlier.

The gross trading surpluses of public corporations rose by 9 per cent in the first quarter despite the strike at British Steel throughout the period. This was largely because of the impact of the widespread price increases by several nationalised industries.

The volume of fixed investment dropped by 4 per cent in the first quarter. There were particularly large reductions in spending by the public services and in new private house-building.

Butler's warning, Page 3; Editorial Comment, Page 16

Two taps worth £1.6bn soon

THE GOVERNMENT is to offer for sale next week two new gilt-edged stocks totalling £1.6bn in an attempt to finance its large borrowing needs over the next two or three months, writes Peter Riddell.

The issues, dated 1985 and 2000, are intended to take advantage of the current strong conditions in the gilt-edged market. They were favourably received yesterday. Prices of long-dated stocks, which had been £¼ up before the news, rose to close up to £¾ higher.

Gilt prices rose sharply over the past 10 days as both foreign and domestic buyers were attracted into the market by hopes of a fall in Minimum Lending Rate during the summer.

The downward trend in interest rates was underlined yesterday by a fall in the

Treasury bill rate at the tender for the sixth week running. The rate dropped from 15.83 to 15.73 per cent.

This would have indicated an MLR of 16¼ per cent under the old market-related formula, which was dropped two years ago in favour of the present administered system.

Similarly, the rate of interest paid on certificates of tax deposit in payment of tax will be reduced from 15¼ to 15 per cent on Monday in response to recent movements in market rates.

The announcement of two new gilt-edged issues follows recent large sales by the Bank of England. A total of £760m is already committed in the month to mid-July.

If the two new stocks are sold, the Government should have tied up its funding needs for some time. The stocks are payable by instalments reflecting the pattern of borrowing needs. The choice of 1985 and 2000 maturity dates

Continued on Back Page

Council anger at Heseltine over budgets

BY ROBIN PAULEY

INSTRUCTIONS to councils to resubmit their 1980-81 budgets on a basis which many regard as invalid have enraged local authority leaders and their associations.

They were not consulted by the Environment Department before the letter was sent yesterday.

Mr. Michael Heseltine, Environment Secretary, has called for the new budgets because the projected level of overspending on current expenditure is regarded as unacceptable. He wants councils to look again at budgets, prune them where possible and resubmit them by August 1.

If there is no significant reduction in projected overspending, estimated by the Environment Department to be running at £739m or 5.6 per cent this year, Mr Heseltine has threatened local authorities with sanctions. These include a moratorium on capital projects and reduced government grants next year.

The row, which could develop into a serious confrontation concerns the basis on which the budgets are to be refiled.

It is understood that the Environment Department is sending a figure to each local authority with the letter about how to calculate its new budget. The figure for each authority will be that council's actual expenditure in 1978-79, converted into November 1979 prices, with 2 per cent deducted.

The Government has demanded a cut in council spending of 2 per cent in real terms on 1978-79 expenditure. So, the figure in the letter is an indicator of what an authority's 1980-81 spending should be when translated to November 1979 prices.

But the row will centre on the fact that all 1980-81 figures are necessarily only budget estimates. Local authorities are sceptical about the statistical validity of comparing out-turn actual expenditure with budget estimates, which often turn out to be considerably out of line with final figures.

Some local authority leaders were surprised at the letter's basis and form. They thought it was one reason they had not been consulted or shown the letter before it went out.

Another reason was that Mr. Heseltine wanted either unanimous association support for the letter or none at all. The Association of Metropolitan Authorities indicated it would not endorse such a letter under any circumstances.

Mr. Jack Smart, leader of the Labour majority on the Association of Metropolitan Authorities, said yesterday: "Mr. Mishael Heseltine has declared war on local government and our duty is to defend it."

He said the association did not accept the Government's figures on projected overspending.

Bárre EEC warning

BY ROGER BOYES IN BONN

M. RAYMOND BARRE, the French Prime Minister, yesterday warned against admitting Spain and Portugal to the EEC before the Community solves its financial problems.

M. Barre, speaking to the annual meeting of the West German Chambers of Commerce in Trier, seemed to go further than President Giscard d'Estaing, who two weeks ago made a similar call for the delayed expansion of the Community.

M. Barre stressed that no serious discussions could be held with Spain and Portugal until the Community's budgetary difficulties had been cleared up.

"Reason forces us to recognise that we cannot negotiate seriously with Spain and Portugal until we have sorted out what is negotiable, until we know what we must do to improve the Community's budgetary mechanism, and until we know where the funds will come from to meet the cost of extending the Community southwards."

M. Barre indicated that he did not include Greece in his comments as it had already signed its Treaty of Accession.

West Germany has emphasised that the expansion of the Community must go ahead, but sees no real conflict with the French attitude. Both countries believe that Community financing has to be put right if the EEC is to be capable of integrating Spain and Portugal properly.

Ford halves car imports amid rapid sales fall

BY KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT

FORD has cut imports of cars to the UK by half because of the rapid fall in total new car sales.

During the period of peak demand last year Ford was importing about 800 cars a day to the UK through five ports. They included Cortinas from its plant at Genk in Belgium, Capris and Granadas from Cologne in Germany, and Fiestas from Spain.

Sales in Britain have now dropped so dramatically that Ford can satisfy nearly all the demand for the Cortina, the UK's best-selling car for many years, from its factory in Dagenham, Essex.

Sales of big cars like the Granada have been particularly badly hit by the oil supply problems last summer and recent steep rises in the price of petrol.

The industry had been expecting total new car sales in Britain to fall by 12 per cent this year compared with 1979, from 1.71m to 1.5m.

There are now indications that the fall could be much larger as customers and dealers retrench in the face of the prolonged period of high interest rates and general uncertainties about the recession.

Car sales held up well in the first months of 1980 but fell by 33 per cent in May compared with the same month last year, leaving the five-month total more than 10 per cent down.

Indications are that the drop this month could be 40 per cent —down from 200,172 to around 120,000. In the first 19 days of June registrations were about 80,000.

Ford, which has set itself a target of at least a 30 per cent market share against 28 per cent in 1979, captured 33 per cent of the sales in the first 19 days of the month.

One result of Ford's decision will be for the import content of its total sales to drop steeply, as Ford UK chairman Sir Terence Beckett promised earlier this year.

In 1979 Ford imports alone accounted for 13.8 per cent of all new cars registered in Britain. Of the 485,559 new Fords sold, 48.81 per cent were imported.

In normal circumstances Ford's contribution to the UK balance of payments would not be much changed by the cut in imports because it would be accompanied by a fall in exports of British-made components to Continental factories.

But Ford is currently bringing on stream its Bridgend plant, which will provide engines for a new "world" car to be launched in the autumn. As Bridgend is one of only two plants to provide the engines it will be bound to give the value of Ford's exports a big boost.

Harrisons in £50m rights issue

BY ANDREW FISHER

HARRISONS and Crosfield, the plantation group which has been spending heavily on its chemical and timber activities, is asking shareholders for £50m through a rights issue to help finance further expansion.

Borrowings have risen sharply in the past year or so, and the group expects to spend significantly in the chemical sector, especially in the U.S. where it made a large acquisition last year.

Shareholders are being offered one new share for six at a price of 620p, representing a 17 per cent discount on Thursday night's price which dropped by 50p yesterday to 700p. The issue is being underwritten by Baring Brothers.

Last month, the group's borrowings totalled £75m, a sharp jump from the £30m at the end of 1978. It paid about £14m last year for the chrome chemicals business of PPG Industries in Texas, and a similar amount for Parker Timber of the UK.

Although the 1979 balance sheet shows short-term deposits and cash of £42m, most of this is held by the 80 per cent-owned Harrisons Malaysian Estates and is not available to finance other developments in the group.

Plantations still account for the bulk of income—£29.5m of last year's operating profits of £55.3m. But the group has been putting increasing emphasis on chemicals, especially those based on chrome and used in the aerospace, tanning, wood treatment and plating industries.

Harrisons Malaysian Estates, its major investment in the plantation area with pre-tax profits of about £23m in the nine months to last December, is the subject of talks with the Malaysian Government on more local equity participation under the "Malaysianisation" policy.

As well as expanding its chrome chemicals business in the U.S. and Britain, Harrisons also aims to build up its distribution activities, particularly on America's west coast.

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OVERSEAS NEWS

Beside Table Mountain—a life of bitterness and banishment

BY QUENTIN PEEL IN CAPE TOWN

BENNIE ADAMS did not go to work last Monday, along with a majority of his fellow workers in Cape Town. The day was the fourth anniversary of the outbreak of the Soweto riots in 1976, which claimed more than 600 lives after they had spread across the country. But a desire to commemorate the occasion was not uppermost in Bennie's mind when he stayed home. Rather, he was worried about the safety of his children.

"I wanted to make sure they didn't go to school," he said. "I was afraid that if they did, they would get involved in some demonstration and end up getting shot by the police."

In the event, Monday passed off without major confrontation. But on Tuesday night, all hell broke loose in the coloured townships outside Cape Town and riot police switched from using birdshot and rubber bullets to using live ammunition to control the rioters.

By the end of the night at least 30 (the official figure) and probably more than 40 people had been killed.

Bennie works as an office messenger for a company in central Cape Town. He is a Cape coloured, one of that unique community of extraordinary racial combinations—European, African and Asian—caught in the middle of South Africa's tortured racial politics. Rejected by both white and black communities, the

coloured people have become totally alienated.

Bennie lives out on the Cape Flats, in a township inappropriately called Lavender Hill. It is named after a street in District Six, where the Adams family used to live, which was a squalid, impoverished, but colourful and vibrant community in the centre of the city.

It has been cleared in the name of the Group Areas Act which lays down the racial separation of South Africa's residential areas. Lavender Hill is a bleak complex of box-like homes in treeless streets, laid out on the windswept flats behind Table Mountain, to which the coloured people have been banished.

Something approaching a million people live on the Cape Flats, mostly coloured people, but also the 100,000-odd Africans allowed to work in the area. If District Six was crime-ridden behind its colourful facade, the townships of the Cape flats have the same crime rate—without the facade.

Two of Bennie's four children are at secondary school and have been boycotting formal classes for the past two months in protest at what they see as "inferior education."

Even though it is better than any education Bennie received, he sympathises. "Some of their classrooms have never been repaired since the last riots in 1976," he said. "They didn't have any textbooks, and they have no decent facilities."

But still Bennie believes they ought to have called off the boycott. "They cannot achieve

Youths flee the South African riot police's "sneeze machine" which fires a formidable mixture of tear gas and sneezing powder

any more," he said last week, only days before the riots. "Now they will only get themselves killed."

But in spite of his own caution, Bennie has himself been involved in a mass boycott for the past three weeks—refusing to travel to work by bus in protest at a rise of 14 cents on a 20-cent fare.

He used to take a bus to the railway station, and then a train into town (in District Six he could walk to work). Now he thumbs a lift or walks to the station and jams himself into a hopelessly overcrowded train, often arriving at work up to two hours late because of the congestion. The buses are running practically empty.

The mere fact of removal from their old homes out on to the desolate Cape Flats has been a significant factor in the alienation of the coloured people. But their bitterness goes much deeper. One cause is the whole complex system of racial classification, which can arbitrarily determine that the children of a coloured mother are white, or that those of a white mother are coloured, and thus divide families.

"Going for white" — the practice of a person classified as coloured trying to live and work as a white for the far better wages and housing then available — has changed in recent years.

"Ten years ago, people would try to cut themselves off completely from their coloured background and deny their old friends to do it," a coloured journalist said. "Now if they still try, it is only to get a better job. Then they come home to the coloured townships at night."

But if such an action implies a greater sense of community pride, it owes nothing to official encouragement. The laws passed by the National Party Government banning both mixed marriages and sex across the colour bar, are seen by the coloured people themselves as a direct insult to their own origin.

Another source of bitterness is the effective disenfranchisement of the coloured community by the National Party government. Once enjoying votes on the common voters' rolls, they were first forced to have four white MPs to represent their interests and then, when they started to elect opposition members, were denied any Parliamentary seats at all.

The body which replaced that representation was a purely advisory "Coloured Persons Representative Council," which was finally dissolved early this year in the face of community-wide hostility towards its powerlessness.

"We are fed up with being given the run-around by the government," a coloured social worker said. "They expect us to take over skilled jobs and fight on the border, but they are not prepared to give us a fair reward."

Perhaps it is that very aspect of improved job prospects, side by side with acute housing shortages and the social pressures of a deprived community, which has caused the latest explosion.

One reason that Bennie is backing his children's protest is that he wants them to have a better schooling so that they can take over white-collar jobs.

He admits that the violence in the past week was exploited by the gangs and criminals rife in the community. But no amount of persuasion by the authorities will convince him that the police did not overreact.

If the coloured people were bitter and frustrated on Monday, their anger is still sharper today.

Unrest cripples motor industry

BY OUR JOHANNESBURG CORRESPONDENT

STRIKING black workers yesterday marched through the streets of Uitenhage, the heart of South Africa's motor industry, with no sign of abatement in the spate of stoppages which is threatening severe disruption to the industry.

The whole town was declared out of bounds to journalists as riot police trailed the demonstration—but one man was later reported to have been wounded by shotgun fire and two arrested by the police. Two men were wounded in shooting incidents on Thursday, after barricades were put up in the black township and stones thrown at police.

Some 7,500 workers are on strike at 10 companies in the town, including 3,500 at the Volkswagen car plant, and 1,300 at the Goodyear tyre plant. Several motor vehicle component manufacturers have also been affected including SKF Bearings, Borg-Warner, Hella (manufacturers of electrical wiring systems), and Guestro, which makes forgings.

Already the Ford Motor Company in nearby Port Elizabeth has closed its Cortina car plant because of a shortage of components.

There was a continuing lull in the unrest in other parts of the country, although riot police maintained a strong presence in the coloured townships outside Cape Town, where police now say that 30 people died as a result of rioting earlier this week. Two people have also died following disturbances in the black townships outside Bloemfontein, a police statement said.

Meanwhile Radio South Africa reported that Mr. P. W. Botha, the Prime Minister, was meeting several coloured community leaders, and whites involved in the coloured community, to discuss the unrest.

They included the Rev. Dawid Botha, head of the coloured branch of the Dutch Reformed Church, and Prof. Dick van der Ross, the rector of the University of the Western Cape.

Mr. Mugabe . . . determined

Zimbabwe forces to act against guerrillas

BY TONY HAWKINS IN SALISBURY

THE Zimbabwe Air Force has been placed on alert in case it is needed to supplement the police-army offensive against dissident former supporters of Mr. Joshua Nkomo's Zipra guerrillas in the western half of the country.

The Prime Minister, Mr. Robert Mugabe said in Zaire on Thursday that the dissidents were responsible for the deaths and intimidations of supporters of his majority Zanu-PF party which is the senior partner in the governing coalition.

Military sources in Salisbury said that the dissidents were members of Mr. Nkomo's Zipra guerrillas though Mr. Mugabe has said that Mr. Nkomo supports the military action.

Although 35,000 former guerrillas are still in the 12 assembly points around the country, there have recently been reports of the guerrillas leaving the camps and returning to the countryside.

Mr. Mugabe, who gave the first official information of the Zipra activities when attending the transport summit in Zaire this week, said that the rebels were operating in north-west Zimbabwe which has long been stronghold for Mr. Nkomo's supporters. Security sources said that Zanla, Zipra and former Rhodesian army units were being used against the rebels.

Zanu-PF supporters say that six of party members have been murdered by Zipra men in recent days in the Urungwe area near Sinoia which is part of the region mentioned by Mr. Mugabe. The Zanu-PF party chairman in the area said in an interview yesterday that the situation in the area was "getting out of hand."

Meanwhile Zimbabwean transport officials who returned from the Lubumbashi summit yesterday said agreement in principle had been reached to foster closer transport ties between Mozambique, Zaire, Zambia and Zimbabwe in order to improve existing transport links and reduce dependence on South Africa.

The agreement will cover transit facilities, rolling stock usage, telecommunications and manpower training.

Transport Ministers from the four countries are to hold a further meeting in Maputo in July 10 and would meet twice a year thereafter. Six other black states—Angola, Botswana, Lesotho, Swaziland, Malawi and Tanzania will also attend the Maputo meeting, the sources said.

Carter urges Italy to remain firm on Cruise missiles

BY RUPERT CORNWELL IN ROME

PRESIDENT Jimmy Carter yesterday began the principal task of his mission to Europe—that of mending the damaged fences of the Western Alliance—in extensive talks with government leaders from Italy, traditionally among the most loyal European allies of the U.S.

Although little of substance has so far publicly emerged from his talks with President Sandro Pertini yesterday morning, or with Sig. Francesco Cossiga, the Prime Minister, in the afternoon, it is clear that broad Atlantic considerations dominated the talks.

During his meeting with President Pertini yesterday morning, President Carter emphasised the importance of Italy's agreement to site Cruise missiles on its territory as part of the controversial NATO programme to update its theatre nuclear forces.

His comments were being taken as indirect confirmation of Washington's deep anxieties about any concessions that might be made on this issue by Chancellor Schmidt of West Germany when he visits Moscow in 10 days.

There are fears that any move by Bonn towards a moratorium on the missile deployment could undermine Italy's resolve, and rekindle doubts within the Italian Socialist Party, currently a member of the three-party coalition.

The Italian side, in its capacity as president of the European Council, repeated an assurance to the Americans that the Community's Middle East initiative, launched at last week's Venice EEC summit, was a "balanced declaration," and not in contrast to the stalled Camp David peace process.

For all the excellent relations between Rome and Washington, some strains do exist. The Americans are anxious about a possible softening of Italian trade sanctions against the Soviet Union while the Italians are worried that the deepening American economic recession could trigger protectionism that might cut into key exports like clothing and shoes.

In a wider sense the Carter summit here comes at a moment when the rifts in the alliance are seriously threatening for the first time to oblige Italy to choose between the two pillars of its foreign policy, Europeanism and Atlanticism.

For the U.S. it is doubly important to secure the undivided loyalty of the Italians, given that France and West Germany are adopting an ever more independent line.

Last night President Carter was guest at a special gala dinner offered by President Pertini, at which he met political leaders, including Sig. Enrico Berlinguer, the Communist secretary. Today, after an audience with the Pope, he flies to Venice.

Clear road for U.S. trucks Bill

By David Buchan in Washington

THE ROAD is now clear for final Congressional approval of a wide-ranging Bill to remove many of the costly regulations under which the U.S. inter-state trucking industry has operated for nearly 50 years.

The House of Representatives passed the Trucking De-Regulation Bill by a massive majority on Thursday night. Senate leaders have said they will accept the House version, which is slightly weaker than that passed already by the upper House, and the Bill is likely to be on President Carter's desk to sign into law when he returns from Europe next week.

Welcoming the move, the White House issued a statement saying that "by increasing competition and ending irrational regulatory restrictions, the Bill will save shippers and consumers billions of dollars each year and conserve hundreds of millions of gallons of fuel."

The reforms affect some 17,000 trucking firms that do business across state lines, or roughly half of the total U.S. trucking industry which last year chalked up revenues of \$108bn (£46.35bn). Its main provisions make it easier for new firms to enter the industry; lifts rules that set circuitous routes and limit what goods can be carried; allows rates to be changed up or down 10 per cent in any year; and phases out anti-trust immunity for companies setting joint rates.

It is similar to the de-regulation of the airlines introduced two years ago, and to a railway Bill still before Congress. De-regulation has become politically modish and is seen as anti-inflationary and also as reducing government interference in the economy.

Comecon gets a five-year promise on oil

BY ANTHONY ROBINSON

PRIME MINISTERS of the 10-nation Communist economic grouping Comecon have concluded what appears to have been an unusually frank discussion of their economic problems with a guarantee of 400m tons of oil over the next five years from the Soviet Union.

They have also approved an \$18bn long-term plan for the development of computers and micro-processors and agreed to further development of nuclear energy linked to a concerted effort to economise on energy and raw material consumption.

Several delegates criticised the slow pace and inadequate preparation of policies designed to increase specialisation and a more rational division of labour between Comecon members. Hungary and Czechoslovakia complained about the inadequacies of monetary and payments facilities in general and the inflexibility of the transferable rouble system in particular.

The Czechoslovak Prime Minister, Mr. Lubomir Strougal, also expressed concern at the lack of co-operation in the scientific research and development sphere and hinted at wasteful duplication of Comecon's research effort.

As the Soviet Union is responsible for the bulk of research and development in the nuclear field, Mr. Strougal's comments can be read as a thinly-veiled response to Soviet criticism of Czechoslovakia's shortcomings.

Mr. Ilie Verdet, the Romanian Prime Minister, also expressed dissatisfaction with the slow pace of economic integration and apparently also made a bid to obtain a share of Soviet oil supplies over the next five-year plan period.

Until last year Romania had deliberately abstained from seeking Soviet supplies. Last year it received 400,000 tons and is expected to get 1m tons this year.

Reuter adds from Moscow: The Soviet Union and Iran yesterday signed their first trade protocol since the 1979 Islamic revolution in Iran, the official news agency Tass reported. It gave no details.

Russians 'flying more troops into Afghanistan'

BY K. K. SHARMA IN NEW DELHI

A MARKED step-up in air and military activity has been noted by Western sources in Kabul, and their assessment is that the Russians are not only reinforcing their troops in Afghanistan but are also intensifying operations against insurgents.

In the past fortnight three times the normal number of giant transport aircraft have arrived.

It is not known whether the aircraft are bringing in more troops or merely rotating them, but the AN 22 aircraft is used mainly as a troop carrier.

An increase in the number of sorties by armoured helicopter gunships has also been noticed. Apart from tanks and armoured cars, these are the main weapon against the insurgents. There is evidence that "search and destroy" operations against the insurgents are being stepped up.

The increase in Soviet activity is a further indication that the Russians anticipate an indefinite stay rather than the quick pull-out that they promised their friends earlier.

This is further borne out by talks the Russians have held with other countries like France and India. The statement by Mr. P. V. Narasimha Rao, the Indian Foreign Minister, this week was particularly significant since it was openly sceptical of an early withdrawal.

There is no sign yet that the Russians have changed their approach and want a political settlement despite the feelers to and from the recent Islamic conference. Indications remain that the Russians are set on a military solution, no matter what the difficulties.

New Soviet demand for early SALT ratification

BY DAVID SATTER IN MOSCOW

THE NEWSPAPER Sovetskaya Rossiya has reaffirmed Soviet support for the SALT II treaty and warned that further delay would "inflict still greater damage" to the treaty by "violating its balanced character."

In a front page editorial, the newspaper said that the "genuine interests" of both the U.S. and other countries demand stable U.S.-Soviet relations and "primarily, the earliest entry into force of the SALT II treaty."

Sovetskaya Rossiya said that the protocol, "an inalienable part of the whole package of agreements" expires in 1981 and delay makes it impossible to resolve questions taken up in the protocol in a SALT III treaty as was planned in concluding the Vienna agreements.

The newspaper blamed the Carter Administration for "allowing the enemies of SALT II to delay the ratification process under any imagined pretext" including the "mythical Soviet military brigade" in Cuba.

"Thus an international agreement of enormous importance was reduced to the role of an internal political football and the President has now pulled out of the game, which was staged for his re-election."

Leslie Colitt adds from Berlin: The Soviet Union is to hold air and ground manoeuvres next month in a wide swathe along the West German border using 30,000 of its soldiers stationed in East Germany. The week-long manoeuvres beginning July 10 will be the largest held by the 390,000 man Soviet Army in East Germany in the past two years.

Bonn aid to Turkey approved

By Roger Boyes in Bonn

THE West German parliamentary lower house (Bundestag) has approved Bonn's special aid package for Turkey—despite a back-bench rebellion by some left-wing members of the ruling Social Democratic Party (SPD).

The aid for Turkey was contained in a DM 1.8bn (£431m) supplementary budget put together by Herr Hans Matthoefer, the Finance Minister, and provides for both economic and military assistance.

However earlier this week some 26 members of the SPD left-wing had threatened to vote against the budget unless Bonn linked the aid with a demand for changes in Turkey's human rights policies. The group also wanted an assurance that military aid—which includes Leopard 1 tanks—would be used only in the service of the NATO alliance and not for controlling domestic disturbances.

The party leadership managed to head off an outright ejection of the budget by the group but the politicians atempted to introduce a "human rights" addendum to the budget.

This attempt failed, largely because the Christian Democratic opposition agrees with the Government on the need for higher defence spending. The Government believes that any conditons put on military aid would be both tactless and counter-productive.

Spain-France border traffic to resume

BY ROBERT GRAHAM IN MADRID

SPANISH truck drivers yesterday agreed to resume transit traffic across the French border at La Junquera on the Mediterranean coast after a protest blockage of five days. But the source of the conflict—the militant attitude of French farmers to the passage of agricultural produce—remained unresolved.

Agreement to resume through traffic by an estimated 15,000 trucks followed a further round of assurances from both the French and Spanish governments over their safe passage through France. There was also a meeting in the morning in the French town of Perpignan attended by French and Spanish officials as well as trades union and truck representatives of both sides.

The French were understood to have repeated that they would use their full powers to protect Spanish trucks. However a number of the protesting truckers at the border were reportedly reluctant to accept these guarantees at face value. Yesterday French farmers were still unrepentantly saying that they would continue destroying Spanish trucks that crossed the border.

Until yesterday only a limited number of tourist cars were able to get through the blockade of trucks. The Spanish Government, while sympathising with the plight of the truckers, has been anxious to open the border crossing to permit the inflow of tourist traffic which is beginning to reach its summer peak. The Cabinet yesterday also announced that it was speeding up measures to provide compensation in conjunction with the French Government, for those trucks affected by the French farmers' protest.

The French Government yesterday repeated its ban on imports of Spanish and North African tomatoes and Greek potatoes.

France sends paratroopers

By Robert Mauthner in Paris

BRITAIN and France yesterday reaffirmed their determination to seek a negotiated solution to the problems of the New Hebrides. But as two days of talks between the two countries in Paris ended in apparent harmony, France despatched 150 to 200 paratroopers to its South Pacific colony of New Caledonia.

The French Defence Ministry insisted that this had nothing to do with Britain's sending 200 marines to the New Hebrides, a move which France has criticised.

The talks between Mr. Peter Blaker, Minister of State at the Foreign Office, and M. Paul Dijoud, French Minister responsible for Overseas Territories. The two had met to iron out disagreements between their Governments on how to handle the troubled South Pacific condominium, where secessionists have taken over the island of Espiritu Santo.

Bomb explosion puts island on war footing

BY ALAIN CASS

THE SMALL Caribbean island of Grenada is on a war footing. The revolution which just over a year ago overthrew the eccentric dictatorship of Eric Gairy and his notorious Mongoose Gang, sending tremors of apprehension through the quiet byways of the State Department in Washington, is apparently under threat.

Yesterday the population of 110,000 was being mobilised by Mr. Maurice Bishop, the island's young and charismatic Prime Minister, to scour the countryside for "counter-revolutionaries" following an apparent attempt to assassinate him at a rally.

At least two people died and 20 were wounded when a bomb went off under a podium where Mr. Bishop, other government leaders and the Cuban Ambassador were standing. Shortly afterwards a huge explosion was heard elsewhere on the island. A gunfight broke out in a suburb of the capital, St. George's, when the regime's Cuban-trained militia cornered and arrested a disaffected former army sergeant implicated in the bombings.

Later Mr. Bishop called for 20,000 volunteers to enlist in the militia in defence of the island's revolution and, almost certainly but with less fanfare, for increased assistance from Cuba.

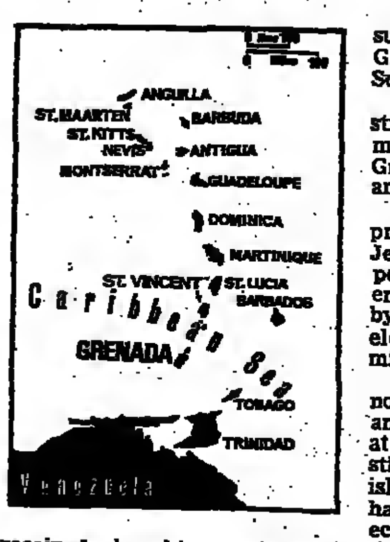
The Caribbean is a nervous place these days. What was once regarded as America's political backyard and an area of legitimate, if not vital, interest for Britain and France is fast changing its character.

The emergence of Cuba as a regional force, the instability in Jamaica and the presence of youthful radicals in the little islands of Dominica, St. Lucia, St. Vincent and, of course, Grenada, has underscored this change.

The coup which ousted Mr. Gairy 18 months ago was firmly interpreted as yet another (small) step in the march of international Communism. But for all its whimsical qualities it was a serious revolt—not quite a revolution — which gave Grenadians a real sense of identity for the first time.

The presence of Cuban advisers on the island training Mr. Bishop's army, building an international airport—to be used almost certainly as a staging post for Dr. Fidel Castro's expeditionary forces to Africa—and the regime's ostentatious lurch leftwards in international affairs has done little to reassure Washington, London or Paris.

The West's collective response to the radicalisation of Grenada has been predictable. The suspension of Grenada's constitution, the repeated insistance by Mr. Bishop that security must come before free elections, giant portraits of Che Guevara and "principled" speeches supporting the Soviet invasion of Afghanistan, have been met with what amounts to a virtual political embargo.



The Americans have strengthened their diplomatic and intelligence service in the area and cut off virtually all economic aid to Grenada, whose principal foreign exchange earners—bananas, spices and tourism—are nowhere near enough to cover imports of over \$35m.

Mr. Bishop has been able to replace the substantial U.S. aid received by his predecessor.

The European Community, which takes a more sanguine view of the real nature of Grenada's revolution than the State Department and whose approach to this sort of challenge tends to be different anyway, has also offered economic assistance. But it is still not enough, and economic pressures alone could still drive Grenada further into the Socialist camp.

Mr. Bishop, who makes strenuous attempts to appear moderate in private, insists that Grenada "will not become another Cuba."

Since the coup the undoubted popularity of Mr. Bishop's New Jewel Movement has waned perceptibly. Overwhelming enthusiasm has been replaced by scepticism. Were he to hold elections today Mr. Bishop might still scrape through.

If Mr. Bishop's words about not turning Grenada into another Cuba are to be taken at face value, then there may still be a chance to keep the island on a reasonably even-handed course. The injection of economic aid and the conservative nature of the Caribbean's biggest population of present landlords could be powerful forces for moderation. But time is running out.

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Labour inquiry bid for three-year ban on further debate

BY PHILIP RAWSTORNE

LABOUR'S Commission of inquiry is to make a determined bid to end the party wrangling over constitutional reforms this autumn.

The commissioo's report, it was disclosed yesterday, will call for a three-year ban on further party dabate on the issues of the leadership election, control of the manifesto, and mandatury re-selection of MPs, after the October conference.

The three-year rule was lifted last year to enable the Left tu pursue its attempt tu gain control of the party.

Unioo leaders on the commission, responding to Mr. James Callaghan's warning that the party wuuld risk defeat at the next election if the internal rows were not concluded this autumn, are intent on using their conference votes to reimpose the rule.

In another move, aimed partly at avoiding the risk of arousing more strife, the commission decided to shelve questions of the reform of either the structure of the Left-dominated national executive or of trade union block votes.

It was stressed that neither issue was being "swept under the carpet."

But the commission appeared to agree that reform proposals could not be made until the conference had taken e decision on the commission's recommendetion that an electoral college should be established to elect the party leader and to endorse the party manifesto.

The electoral college, details of which are to be settled at a meeting on Monday, was proposed by union leaders on the commission as a compromise between the demands of the Left and Right.

But it has been furiously criticised by MPs who want to maintain existing procedures

The commissioo's proposal has also attracted hostility from the Left. Mr. Eric Heffer yesterday geve notice that Left wing members of the commission, who were outvoted ou the issue, now intend to press the national executive to reject it.

In a minority report, they will call for adherence to the national executive's original proposals for it to take control of the manifesto and to give the unions and constituency parties an equal role with MPs in the election of the leader.

Tax-free investment in stocks proposed

THE Liberal Party yesterday proposed that any family should be able to invest up to £1,000 a year tax-free oo the stock market, writes Philip Rawstorne.

A clause tabled in the Commons for the Finance Bill would allow e husband and wife to invest up to £500 a year each in ordinary shares and unit trusts. The investment would be eligible for tax relief for a period of five years.

Mr. Richard Wainwright, the Liberal Treasury spokesman, said yesterday the proposal was modelled on a French scheme which had been a great boost to equity investment in that country.

"This is a way in which individuals can be encouraged to invest directly in British industry," be said. "It will balance the tax advantages currently bestowed oo institutional investment through the medium of pension funds and life-assurance policies.

"The rate of personal saving remains remarkably high, and savers should have the widest available choice without tax bias."

Joseph calls for check in education expansion

AND END to the expansion of universities, polytechnics and local governmeot, and e reductioo in the scale and functions of the Civil Service ere essential to national recovery, Sir Keith Joseph, Secretary for Industry, said yesterday.

"The past expansion of these institutions has not only exceeded our capacity to pay for them, but has taken up much of the scarcest resource of all—human initiative," he said at Spalding, Lincs.

Employmeot and living standards depend on men and women of initiative who set up and develop successful businesses, he said.

"Yet business, the foundetion of our ecooomy, has to compete for the talent it needs with what have tended to be easier, more secure, and expanding careers in public service."

South Wales development aid given mixed reception

BY ROBIN REEVES, WELSH CORRESPONDENT

SIR KEITH JOSEPH'S announcement of regional development status for the Port Talbot and Llanwern areas yesterday received a mixed reception in South Wales.

West Glemorgan County Council welcomed the designation of Port Talbot as a special development area (SDA), but said the Government's response was still an "inadequate response" to the area's problems.

Port Talbot is to lose nearly 7,000 steel jobs at the British Steel Corporation plant.

The council is particularly upset that the Neath and Swansea areas, immediately west of Port Talbot, have not also been granted the new status.

On the other hand Bridgend, to the east of Port Talbot, is being made an SDA, although it bas been particularly successful in attracting new industry, notably Ford's £180m engine plant.

Thursday's announcement was greeted with anger and diseppointment in Gwent. Mr. Lloyd Turnbull, leader of Gwent Council, said that while it recognised Port Talbot's problems, those of Newport, which is losing some 4,500 Llanwern steel jobs, should have been placed on a par.

Tele Data sale contract stands

THE FOUNDERS of Tele Data, the computer-based classified directory service which advertising agents Saatchi and Saatchi described as "an opportunity to print money," failed in the High Court yesterday to win back control of the venture from Associated Newspapers.

Mr. Frank Alman and Mr. Andrew Bensen, who sold a majority holding in Tele Data to Associeted Newspepers Group in a £100,000 deal in 1978, claimed they had been induced by misrepresentation into signing the agreement.

Dismissing their claim after a 33-day hearing of an action which cost an estimated £55,000, the judge said they had shown a much more limited misrepresentation than they had set out to prove.

Courtaulds and Burton plan plant closures

BY RHYS DAVID, TEXTILES CORRESPONDENT

COURTAULDS and the Burton group announced plant closures yesterday. They will mean the loss of a further 1,400 jobs in the textile and clothing industry.

Courtaulds proposes to shut its Celen nylon plant et Spondon, Derby, with the loss of 660 jobs, because of poor demand. The plant has a capacity of about 8,000 tonnes per annum. Courtaulds' total nylon capacity is about 32,000 tonnes.

Output will be concentrated et the group's other nyloo plants at Carrick Fergus, Northern Ireland and Aintree, Liverpool.

Demand for nylon for clothing has dropped in recent years end the market bas been weakened further by the growth in imports of U.S. fibres and fabrics. Courtaulds aaid efforts had been made to increase export sales, but this had failed to fill up capacity.

The Burton closure at Walkden, Bolton, its last-remaining made-to-measure factory, will affect 750 jobs. Prodoctioo of made-to-measure suits, once the group's principal activity, was concentrated at the plant two years ago. In this earlier pruning, the number of its manufacturing jobs fell by about 4,000 in 18 months.

The latest cut takes Burton e stage further to being mainly a retail operation.

It will leave the group with fewer than 2,000 people at three factories making the men's and women's clothes sold in its 800 shops.

The Courtaulds' closure comes on top of other shutdowns announced in recent weeks affecting its mills in Cumbria, Northern Ireland and Lancashire. The group's labour force has declined by 10,000 in the past year to about 90,000, compared with 123,000 in 1975.

The closure come on a day when the textile industry has been given another warning that the Government is not prepared to go much further in meeting demands for increased protection from low-cost imports.

● Mr Cecil Parkioson, Trade Minister, told the Overall Manufacturers' Association in Manchester yesterday that Britain bad a surplus of £28m a year oo trade with the developing world. Job losses in textiles bad to be set against trade gains by other industries. According to an Organisation for Economic Co-operation and Development study, some four-fifths of textile and clothing losses had been due to advances in technology.

Mr Parkinson said the Government was determined to enforce the General Agreement on Tariffs and Trade multi-fibre arrangement—which regulates world textile trade—and oegotiate a tongh successor. It had been quick to press for oew qnotas where imports had grown fast, and it was tightening up on unfair competition, especially where fraud and dumping were involved.

● Employment in the mainly Lancashire-based cotton and allied textile industry fell by a further 1,000 in April, bringing the total decrease in the past year to 9,000.

● MORE JOBS GO. Closure of BM Coatings, of Bolton, a subsidiary of the Halstead Group which manufactures PVC floor coverings, protective clothing and coated fabrics, will result in about 100 jobs lost.

The British Oxygan Company is to close its gas filling and delivery operatioo at Corby, Northants, transferring operations to Derby. Sixty-three workers will be made redundant, but some may be redeployed within the company.

At West Bromwich, John Bagnall is closing its Church Lane steel rolling mill with the loss of 130 jobs. In Wolverhampton, IMI Marston is to cut 90 jobs because of inflation and the engineering industry slump.

Avery, the Smethwick weighing machioe manufacturer, wants to reduce its workforce by nearly 100, on top of short-time working for the remaining 1,000 workers.

EEC lends £81.5m for projects

Financial Times Reporter

EEC loans totalling £81.5m are to be made towards investment projects in the UK, the European Investment Bank (EIB) said in Luxembourg yesterday. More than 50 per cent of the total will go to Northern Ireland, 40 per cent to Scotland, and 9.8 per cent to North West England.

The £41m for Northern Ireland will help fund the Post Office's expansion of the province's telephone and telex system, said the Bank.

From total loans of £32.5m for Scotland, the EIB is lending £20m over 15 years at 12 per cent to Strathclyde Regional Council towards the costs of a motorway and an industrial sewerage system. It will pay part of the costs of the M8 motorway through Glasgow, which is now complete, and of a sewerage and weter supply system for the Garnock Valley area of Ayrshire.

A number of industrial projects, including a vitamin C manufacturing plant under construction by Roche Products, depend on the provision of the new sewer, which will cost £100m. The EIB bas already lent £12m towards it.

Power station

Elsewhere in Scotland, the EIB is lending a further £10m to the North of Scotland Hydro-Electric Board for the £280m Peterhead power station (for which the bank bas already provided £50m). A £2.5m loan is going to Caberboard for the expansion of its particle hoard factory at Cowie, Stirlingshire.

The EIB is lending £8m towards projects in North-West England, of which £5m is going to British Nuclear Fuels to help finance its share in the Urenco uranium enrichment plant being built at Capenhurst, Cheshire. The remaining £3m goes to Lancashire County Council to help construction of a new secion of the Calder Valley motorway. (M65).

The loan to the Post Office to help finance expansion of the Northern Ireland telecommunications network is for 12 years at 11.8 per cent. It represents a major contribution to the Post Office's planned £91m expenditure in the province over a three-year period.

The programme includes rapid improvements to the telephone, telex and Datel systems. Demand for telephooes in Northern Ireland is significantly higher than in the rest of the UK.

Rolls-Royce employee denies bribery

BY HAZEL DUFFY, INDUSTRIAL CORRESPONDENT

MR. FRANK TURNER, the Rolls-Royce employee alleged in the House of Commons to have been involved in bribery, yesterday proclaimed his innocence. The allegations were made by Mr. Jeff Rooker, Labour MP for Perry Barr.

Mr. Turner arrived back in Britain yesterday after cutting short a business visit to the U.S. In a statement issued through Rolls-Royce be said: "Mr. Jeffrey Rooker bas made a very serious allegation against me of which I am totally innocent. It would be in the best interests of decency and justice if Mr. Rooker would repeat this charge outside the protectioo of parliamentary privilege. I look forward to a speedy conclusion of the company's inquiry."

The investigation is being conducted by senior management from Rolls-Royce's aero-engine divisioo, Derby.

Shop-stewards from leading machine-tool companies in Coventry said yesterday they had briefed Mr. Rooker and other MPs about Rolls-Royce's purchase of Italian machine-tools.

The shop-stewards' committee is led by Mr. Alex Boyd, convenor at Webster and Bennett, the company alleged by Mr. Rooker to have been the loser over Rolls-Royce orders.

The committee, set up to combat decline in the British machine-tool industry, has been concerned about State-owned Rolls-Royce buying from Italy for the past 15 months. It maintains that Webster and Bennett's product is competitive as far as price and specification are concerned.

Other MPs have been approached, including Mr. George Park, Labour MP for Coventry NE, who, says the committee, received certain assurances from the chairman of Rolls-Royce.

Mr. Ted Garrett, Labour MP for Wallsend, who has a long association with the machine-tool industry, has drawn the attention of the National Enterprise Board and the Department of Industry to the possibility of substituting British machine-tools for imported.

But Rolls-Royce yesterday stuck by its statement thet the machine-tools from Morando (part of the Fiat group) were the most suitable for the purpose of manufacturing the aero-engine discs which are made at Sunderland. It has 14 Morando machines in service and five on order.

Orders placed by Rolls-Royce with Morandu since the latter part of the 1978 were worth about £3m. It is unclear whether those still on order are destined for the new Rolls-Royce factory in Miami, or whether that factory's requirements will involve new orders.

In Turin, Morandu said drawings alleged by Mr. Rooker to be Webster and Bennett property, which bad mysteriously turned up in Turin, bad been supplied officially by Rolls-Royce. They were necessary for construction of the machines on order. Such drawings, or operation sheets, appear to hold no great secrecy.

Electricity charges may go up again in Scotland

BY RAY PERMAN, SCOTTISH CORRESPONDENT

ELECTRICITY CHARGES in Scotland are likely to rise by a further 10 per cent at the end of August, five months after the last increase of 17 per cent.

Mr. Roy Berridge, chairman of the South of Scotland Electricity Board, said yesterday that the rise in coal and oil prices made increases inevitable, despite efforts by the board to contain its own costs below the level of inflation.

The North of Scotland Board is likely to announce a similar rise next week. English regional electricity boards have already indicated that they will increase tariffs by a similar amount in the autumn.

South of Scotland Board managed a surplus of only £99,000 last year, partly as a result of slightly reduced demand but also because one of its low-cost nuclear generators in Hunterston B power statioo was out of action.

An accident in 1977, when see water seeped into the cooling system, kept the reactor idle until February this year.

Minister warns industry of 'tough' months

BY JOHN HUNT, PARLIAMENTARY CORRESPONDENT

A STRONG warning that the next few months will be "rough and tough" for industry was given to the Commons yesterday by Mr. Adam Butler, Minister of State for Industry.

Mr. Butler, one of the leading hard-line monetarists in the Government, said there would be more bankruptcies, more redundancies and more closures. Britain was in a recession, as were other parts of the world.

But he thought there were promising signs in industry—eoough to feel confident about the future.

Opening a debate on the decline of industry in the West Midlands, he emphasised that the Government would stick to its monetary policy with determination. There would be no "U-turns."

These policies were widely understood and supported in industry, despite concern about high interest rates.

"We will maintain the battle against inflation with the weapons we are using oow," he said. "We will go on bringing down the public sector borrowing requirement which will have an effect on interest rates which will, in turn, have en effect on the value of the pound."

At the end of this process, industry would be in a slimmer, fitter state to compete. There were signs of the right things beginning to happen. There was evidence that companies were facing up to reality and that better co-operation was developing between management and workforce.

Mr. Butler criticised massive rate increases by some local authorities, particularly those controlled by Labour. Increases of 30-40 per cent could kill off small businesses and put an intolerable burden on companies such as BL which paid millions of pounds in rates.

He criticised industry's past performance. It had not been sufficiently competitive in price, quality or delivery dates.

Government policies came under strong attack from Labour MPs, who sit for Midlands constituencies and concern at some aspects was also expressed by Tory MPs.

Mr. Hal Miller (Con. Bromsgrove and Redditch) said some companies were alarmed to see that pressure on the public sector had not equalled that on the private sector.

Government public-sector cuts were directed towards capital investmeot, which would make the situation in manufacturing industry worse.

He was afraid that within the coming year the public sector could account for a higher perceotage of gross domestic product than at the electioo.

Industry in the West Midlands supported the Government strongly, but it was earnestly looking for policies that would reduce interest rates and bring down the value of sterling.

£7m bond issue by City

BY TIM DICKSON

THE CITY of London Corporation is hoping to raise ebout £7m to £8m through the issue of bonds to investors.

Although bonds are a popular form of money-raising with most local authority treasurers, this is the first time the City of Loodon has entered the field.

The idea, suggested several years ago, has recently become practicable with the installation of a new computer at Guildhall. This is expected to cut what can be the considerable costs of administering bonds.

Investors in the bonds, which will be advertised for the first time this weekend, are initially being offered a return of 13+ per cent over three and four years. The minimum order is for £1,000.

The City of London Corporation is often in the bappy position of being able to lend mooey to others in the short term markets because of its ratepayers prompt paying babits.

Money raised from the bonds, meanwhile, will form part of the corporation's £70m borrowing requirement for 1980-81 and will go towards funding the City's capital spending programme. If interest rates heve been correctly judged, the savings compared with borrowing the cash through the money markets could amount to as much as £200,000.

CH in deal with sports car makers

By Kenneth Gooding, Motor Industry Correspondent

C.H. INDUSTRIALS, the former Coventry Hood and Sidecar, has bought a stake—believed to be about 10 per cent—in Aston Martin Lagonda, the luxury sports car manufacturer.

The deal is part of a process which will see Aston Martin enlarge its £475,000 capital base by a further £1m.

The extra capital will be injected by three new shareholders, including C.H. Industrials and Mr. Peter Cadbury, head of Westward Television, who recently joined the Aston board.

The third shareholder will sooo be revealed. Mr. Alan Curtis, co-chairman of Aston, said yesterday that the cash injectioo would not be shared equally among the three.

Mr. Curtis said the increase in equity bad been recommended by the Aston auditors. The company was working normally at the moment, making six cars a week, because the weakness in the UK market had to some extent been offset by good sales in the U.S. and by recently-launched operations in South Africa and Japan.

Mr. Tim Hearley, the stockbroker who is chairman of C.H. Industrials, has been appointed to the Aston Board.

CH is helping with the development of the car which will replace the current MG if the Aston-led consortium eventually takes over the MG factory at Abingdon.

Woodland used to settle tax bill

SOME 167 ecres of woodland surrounding Sissinghurst Castle in Kent bave been accepted by the Government in settlement of outstanding capital transfer tax, Mr. Michael Heseltine, Environment Secretary, said in a Commons written reply.

The woodland has been transferred to the National Trust, which already owns the castle and gardens.

Mr. Heseltina said the net cost was £27,600—borne equally by bis department and the Office of Arts and Libraries.

The woodlands were accepted in lieu of tax after the death of Mr. Ben Nicholson.

Spain welcomes UK support

THE SPANISH Government has welcomed British support for Spain's entry into the European Ecooomic Community by 1983.

Mr. Luis Guillermo de Perinet, Spain's Ambassador to the UK, said yesterday the support shown by Sir Ian Gilmour, the Lord Privy Seal, was particularly timely io view of the recent remerks by President Giscard d'Estaing of France that the enlargement of the Community would bave to wait.

Sir Ian said recently the UK would back the current Spanish entry timetable which should see Spanish eccessioo to the Treaty of Rome by late 1982 or early 1983.

£1m for study into interferon

THE Imperial Cancer Research Fund and the Wellcome Foundation have jointly made a £1m grant for research ioto the substance interferoo—which may be vital io the fight to beet cancer.

Natsopa challenges Employment Bill

BY OUR OWN CORRESPONDENT

LEADERS OF a print union which defied a High Court ruling over the TUC's Day of Action on May 14 claimed yesterday that they had won a victory, and that events had proved "anti-trade union law can be defeated."

The National Society of Operative Printers, Graphical and Media Personnel carried unanimously a strongly-worded executive-sponsored emergency motion on unions and the law at its governing council meeting in Southport.

The motion pledged the union to refuse co-operation with any provisions of the Employment Bill when it becomes law.

It called on the TUC to pursue the same policy.

It also committed the union to supporting any group of workers "singled out for treatment by the judiciary," and congratulated its own union leaders for their "firm rejection of judicial interference with our democratic procedures."

This outburst of anger and defiance stems from the refusal by Natsopa leaders to obey a High Court ruling that they should withdraw a circular strongly recommending their members not to take part in the publication of newspapers on May 14.

Express Newspapers had gooe to court over the Day of Action and obtained an injunction, the court declaring that because May 14 was "a political strike" every worker was free to work without fear of victimisation.

In e report to yesterday's conference, the Natsopa executive claimed that the fact that, even without the Employment Bill on the statute book, it was possible for this injunction to be granted "brought home to many trede unionists the extent to which the laws of this country are already weighted against them."

It werned: "Once the Employment Bill is pessed, the position will be far worse.

"The debate bas been opened, and will continue with a growing fervour so long as the Government persists in its socially divisive policies."

Teachers' arbitrators appointed

By Our Labour Staff

PROFESSOR Sir John Wood, Professor of Law at Sheffield University, has been appointed chairman of the arbitral bady on teachers' pay by the Advisory, Conciliation and Arbitration Service.

Mr. Michael Bett, personnel director at the BBC, and Mr. John Hughes, Principal of Ruskin College, will also be members.

The pay of teachers in England and Wales was referred to ACAS after the Burnham pey negotiating committee, which includes teachers and employers' negotiators, failed to agree a pay settlement for the 1980 award. Local authority employers had sealed down e 13 per cent offer to 9.2 per cent to take account of the four per cent error made by the Clegg Commission oo Pay Comparability.

● ICI QUIET: Industrial action by white-collar staff at ICI, called for yesterday, did not materialise, the company says.

The Association of Scientific, Technical and Managerial Staffs and the engineering staff union AUEW TASS had called on the 22,000 white-collar workers in the company to begin action following the breakdown of pay talks earlier this week.

A staff delegates meeting has been called for June 28 to discuss possible strike action. ICI said last night that no action was expected before then.

● GRAPE SHOT: There could be trouble at Labour's annual conference in October if "the sour grapes brigade" have their way, the general secretary of the Confederation of Health Service Employees warned yesterday Mr. Albert Spanswick said: "The spectacle earlier this week of those whose views bave not prevailed in the Labour Commisson of inquiry seeking now to prevent the October conference of the Labour Party taking a decision on one of the commission's recommendations is a disgrace to all those who believe in Democracy."

● STRIKE ENDS: Vosper-Thorneycroft's hourly-paid workers voted yesterday to end their strike action over payments to plumbers recently transferred to the yard.

Application to Confed withdrawn

By Philip Bassett, Labour Staff

THE ENGINEERS' and Managers' Associetion has withdrawn its application for membership of the Confederation of Shipbuilding and Engineering Unions. The application has been one of the mainstays of its efforts to win the right to represent professional staff in the engineering industry.

Next week's annual conference of the Confederation was certain to reject the application following e decision in April by the national committee of the Amalgameted Union of Engineering Workers' engineering section. The EMA decided to withdraw its attempt rather than see it decisively thrown out.

The AUEW natiooal committee voted overwhelmingly against the advice of its national executive and decided to withdraw its support for the EMA's applicatioo.

The failure of the EMA's efforts to win membership of the Confederation is a blow to its fight to expand its traditional base in the electricity supply industry by representing senior engineers and managers in engineering and similar industries.

Membership of the Confederation would greatly have increased the EMA's chances of winning recognition from employers for collective bargaining purposes.

Mr. John Lyons, EMA general secretary, yesterday tried to make the best of the EMA's position following the AUEW's decision. He said the EMA would re-apply for membership at an unspecified later date, and that the withdrawal made no difference to the union's policies or activities.

He denied suggestions that in order to improve its chances of recognition the union might have to merge with a union already belonging to the Confederetion, as the United Kingdom Association of Professional Engineers merged with the Electrical and Plumbing Trades Union.

TASS has consistently opposed the EMA's application end its attempts at recognition in some engineering companies. The failure of the EMA application will increase the strength of TASS in the field.

Mr Lyons also attacked the TUC for taking up political stances on a number of issues. The EMA is careful to maintain its own political neutrality.

Councils offer 12% to white-collar workers

BY OUR LABOUR EDITOR

PAY RISES averaging 12 per cent are being proposed for 535,000 local authority white-collar workers in reply to e 20 per cent claim by their unions.

Local authority employers' negotiators decided yesterday to propose this emount at a plenary session of the national joint council on July 3.

Their decision is much in line with the forecast of the National and Local Government Officers' Association—the main unioo involved—aod could lead NALGO's officials to consider some kind of industriel action.

The 12 per cent proposal follows a recent survey of authorities' ability to pay, which showed that many felt they coold afford only a single-figure percentage rise this year.

A spokesman for the employers body said that the councils' ability to pay had been further eroded by price increases and by a comparability award of 13 per cent, paid from January 1, io addition to last July's 9 per cent general increase for their staff.

Even at 12 per cent, jobs and services could be in jeopardy. An offer above that would have "unacceptable consequences" in terms not only of jobs aod services but rate rises as well.

The coucil's proposed offer is less than the settlement for its manual workers and for other public service employees like nurses.

NALGO is seeking, from July 1, a geoeral 20 per cent increase, e 35-hour week, a £70-a-week minimum edult rate and extra holidays.

Last night, a senior NALGO official said that there was no chance of the 12 per cent being accepted if it is put to the full negotiating meeting.

Mr. Mike Blick, chairman of the staff side of the national joint council, said he hoped to make further progress then.

"This is their opening position," be said.

Council staff were conscious not only of inflation, but of the general increase in earnings—now running at over 21 per cent nationally—and the danger of towo hall staff salaries falling out of line with those of civil servants, Mr. Blick said.

THE WEEK IN THE MARKETS

Liquidity and optimism

LONDON

ONLOOKER

IN ITS present bullish mood, the market is not to be deflected by mildy unsettling money supply figures. Equities and gilts paused for breath on Thursday but by mid-afternoon yesterday had confidently resumed the upward march.

In the first week of the new account, the FT 30-share Index was up by over 3 per cent, bringing its almost unbroken rise over the past three weeks to an impressive 13.7 per cent. The highlight of the week was certainly BP's dramatic approach to Selection Trust, which is another example of a major oil company chasing mineral assets. The market's liquidity and optimism was underlined by Tuesday's placing of BSN's stake in Pilkington. Stock worth £25m was snapped up within 45 minutes. Other companies have not been slow to cash in on institutional enthusiasm for equities, as yesterday's £50m rights issue from Harrisons and Crosfield showed.

The bullish tone in gilts has been underpinned by foreign support. There is clearly a strong feeling that, when interest rates fall, the drop may be sharp and the foreign investors who missed out on the surge in U.S. bond prices are hoping not to be caught napping twice.

Westland takes off

Little more than a year ago, the City regarded Westland as a lame duck. Its provisions against losses on the initial contract for the Lynx helicopter totalled £19m, and its dividend for 1978 had been cut to a strictly nominal level.

Now, by contrast, the shares are flying high. The interim results, reported this week, showed profits up from £4.2m to £10.6m, which represents a very healthy return on capital employed of £74m. The balance sheet is flush with cash, and a sharply increased dividend is well covered by current cost earnings.

The key to the turnround is productivity. The disastrous Ministry of Defence contract has now been completed, and after a long and painful learning process Lynx helicopters are coming out of the Yeovil factory at a reasonably economic rate. The order book is not as strong as it might be—the Lynx has yet to be taken up by foreign armies in a big way, and some big Arab contracts seem to have disappeared. All the same, the order intake exceeded output in the first half of this year, and Westland expects that one way or another it will be able to keep its workshops reasonably well loaded over the medium term.

But the group still has a lot to prove. Its next big challenge is to break into the market for civil helicopters, which it hopes to do by the end of this decade with a new machine developed in partnership with Agusta of Italy. The helicopter is being built initially for defence purposes, and if all goes to plan a substantial part of the programme will be financed with government funds.

Until the start of the Lynx programme, Westland had relied heavily on U.S. based designs for its helicopters. The Lynx was really the first model to be conceived and designed by Westland from scratch and it taught the company some very expensive lessons. The big question for the decade will be about how smoothly the company can introduce its next major development.

Doughty Dawson

Dawson International's substantial cash resources, expanding sales volume and confidence of profits growth this year fly in the face of several trends in the textile sector.

Textile companies are laying off staff, closing factories and wailing for protection against stiff import competition. But the difference between chasing a shrinking number of potential customers in the bulk end of the clothing trade and selling top quality cashmere through 10,000 specialised outlets worldwide is demonstrated by the group's 8 per cent volume growth last year (14 per cent in knitwear) and maintenance of cash balances at £21m.

The "Pringle" and "Ballantyne" knitwear manufacturer has not been entirely immune to the industry's problems; year end stocks had risen by £6m to around £32m, some merchanting subsidiaries have been closed (for which full provision had been made in 1978) and profits, before the benefit of the Haggas acquisition, were fractionally down at about £14.9m.

After a rise in external sales of 18 per cent, Dawson has obviously suffered losses on currency conversion—amounting to about £2m—but it remains confident of growth this year by pushing Haggas' worsteds into overseas markets. Haggas traditionally exports about a tenth of its production whereas the group as a whole sells about half its output abroad and 70 per cent of its knitwear is exported. The importance of finding the big spending tourist wherever he may spend his holiday rather than hoping that he will return to Oxford Street is obvious.

Concrete and Clay

Events quite outside the control of union convenors and monetarists can have a profound impact on corporate profitability. Rarely is the importance of a mild winter better illustrated than in the building industry. It helps, of course, to push through fat price increases.

Tunnel Holdings increased profits for the 53 weeks to March 30 by 57 per cent to £10.52m on an annualised basis. English China Clays went several steps better with a rise of 80 per cent to £19.07m at the interim stage. ECC has a quarrying division and supplies the construction sector. And although one of the principal customers for China Clay is the paper making trade, it is essentially an extraction business which, last winter, was able to operate almost without interruption.

Much of Tunnel's impetus comes from the recently acquired speciality chemicals division whose inclusion has lifted the overall return on capital far beyond the realms of most cement groups to 23 per cent.

Both companies have been awarded large price increases this year to help offset the sudden trading deterioration which, in common with much of British industry, appears to have set in since about the beginning of the second quarter of 1980.

ECC is still probably capable of something over £40m pre-tax this year against £33.12m and Tunnel, despite a 5 per cent fall in volume since the beginning of April, remains optimistic that the potential of speciality chemicals and cement rationalisation will compensate for the problems which have recently emerged.

Lesney tumbles

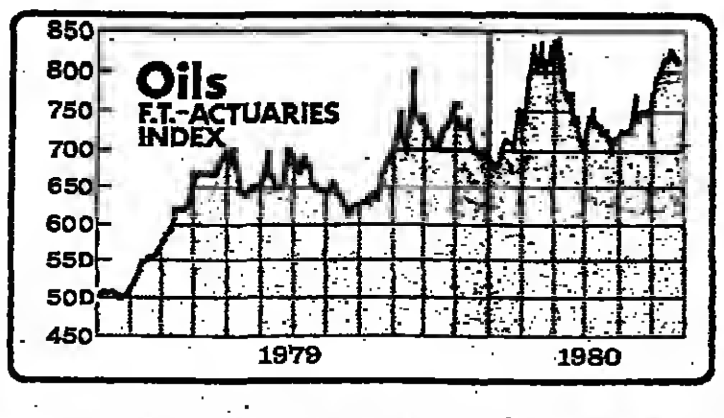
Although the market has accustomed itself to the sight of toymakers in trouble, with the Dunbee-Combex-Marx crash and Meccano closures fresh in its memory, Monday's revelation of a £3.6m loss at Lesney Products still came as something of a shock.

Forecasters who earlier in the year had foreseen a break-even after the previous year's £5.1m profit were rapidly marking the card down to £1m or even £2m in the red, but the emergent truth coupled with a passed dividend clipped the shares 3p to a year's low of 15p. After a tax credit of £1m and extraordinary debits of £2.1m, the company's attributable losses totalled £4.7m.

The Matchbox-maker suffered severely from the strength of sterling. It exports 80 per cent of UK-made goods, and has substantial overseas activities. It is re-organising in the U.S. and Japan, which together with Metal Castings (Worcester) notched up the losses.

Lesney was caught out of step when it boosted production through the spring to compensate for the industrial disruptions of the winter months. The high sterling exchange rate coupled with dull markets at Christmas resulted in soaring stocks and borrowings peaking around the £40m mark, despite a rise in turnover from £89m to £107m. Interest charges reflected this burden on cash flow, up from £1.8m to £5.6m.

The current year will not be easy, but with rationalisation overseas and a slimmed workforce the company sees an underlying trend towards profitability in 1981. In the meantime, the board is bringing in Duple chairman Mr. Gordon Hay as its new chairman, with company founder Mr. Leslie Smith retaining his role of chief executive. Mr. Maurice Alberge comes in from the Aspro-Nicholas group as finance director.



MARKET HIGHLIGHTS OF THE WEEK

	Price Y'day	Change on Week	1980 High	1980 Low	
F.T. Ind. Ord. Index	471.8	+15.3	478.8	406.9	Persistent demand
F.T. Govt. Secs. Index	70.53	+ 2.12	70.53	63.85	Treas. 13¼% '94 tap runs out
F.T. Gold Mines Index	326.1	−14.8	377.9	265.5	Civil unrest in South Africa
Akroyd and Smithers	294	+31	294	204	High Stock Exchange turnover
Alpine Soft Drinks	100	+13	100	80	Speculative buying
Charter Cons.	207	+56	210	134	Stake in Selection Trust
Downs Surgical	23	−10	38	21	Disappointing results
Hambros	497	+74	497	278	Good results
Hazlewood Foods	93	+14	96	65	Good results/£1m rights proposal
Hill Samuel	114	−19	114	73	Press comment
Holt Lloyd	232	+18	256	213	Pending 2-for-1 scrip issue
Johnson Matthey	330	+50	330	205	Results and scrip issue
Mallinson-Denny	56½	−14½	77	44½	£10.7m rights issue
Northern Foods	149	+15	150	107	Investment demand
Pilkington	232	+26	237	187	11.8m shares placed at 215p
Portals	345	+48	345	218	Pres comment
Selection Trust	£11½	+ 5 7/16	£11¾	586	Bid approach from BP
Seltrust Hldgs. A	196	+30	230	140	Australian arm of Selection Tst.
Vosper	170	−35	205	128	Nationalisation comp. hopes
Westland	96	+21	101	55½	Good interim report

Tired and overbought

NEW YORK

DAVID LASCELLES

WALL STREET finally began to run out of steam this week after staging a 2½ month rally which persistently astonished and confounded the experts. "Tired" and "overbought" were the buzz words, particularly on Thursday night after the market registered its biggest single day loss for some time, which pulled the Dow down from a four-month high.

The technical features of the market certainly had something to do with it. There was little if anything to justify further price gains, and profit-taking is on the increase. The stock market is also bound to feel the effects of the bond market whose record rally has sucked in investment funds at the rate of billions of dollars a week.

The bond calendar for this month will probably set a new record of over $6bn of corporate issues, plus several times that figure for Government borrowing. But the fundamentals darkened too.

The spectacular decline in interest rates which had probably been the single strongest influence on the market since mid-April began to level out. The leading interest rates turned mixed, though lagging rates still have some catching up to do: the prime rate came down to 11½-12 per cent, and could still go down two or three points to restore the traditional differentials.

The fast-deteriorating state of the economy became all too evident as Washington released more gloomy statistics. GNP in the current quarter is estimated to be declining at an annual rate of 8 per cent, and the Labor Department forecast that unemployment would rise to 8.5 per cent by early next year (the latest figures put it at 7.8 per cent).

Housing starts in May were at their lowest level for five years. The accumulation of bad news may finally be drumming home to investors the message that corporate profits could be down quite sharply later this year.

There are also fears that the Administration is weakening in its fight against inflation. Apart from jawboning and attempting to enforce a voluntary set of guidelines, the only weapon in the Government's armoury is the Fed's set of credit controls. But these are being steadily dismantled anyway. How, one may therefore legitimately wonder, can the White House hope to keep prices under control?

The strong performers in the first part of this week were oils (as usual, though there was some profit-taking), the chemicals and the blue chips, all of which apparently benefited from some quite heavy institutional buying. But the draught running through the economy also made itself felt.

Firestone, the country's second largest tyre manufacturer which reported large losses earlier this year, decided to omit its quarterly dividend (which had already been slashed by 12 cents to 15 cents). Firestone said it needed the money to build up working capital in the face of the serious economic outlook, adding that it didn't expect any improvement until car sales pick up again.

There was also a bit of a shock for the millions of shareholders of American Telephone and Telegraph, the giant telephone utility which is the most widely held company in the U.S.

A Chicago court found against it in an anti-trust case involving a small telephone company seeking access to AT and T's local telephone lines, and imposed a $1.8bn. fine. This record sum will be appealed against, but this did not prevent AT and T's shares from shedding a dollar on Monday, when the stock topped the most active list.

In the first public stock offering by a major bank for two years, Bankers Trust of New York (the ninth largest bank in the U.S.) announced plans to issue 1.25m shares to strengthen its capital base. This news knocked a couple of dollars off the bank's share price, but the exercise should still bring the bank about $62m in fresh funds.

Chase Manhattan also issued 2.5m shares of preferred stock at $50 each yielding 10¼ per cent.

MONDAY	877.73	+ 1.36
TUESDAY	879.27	+ 1.54
WEDNESDAY	881.91	+ 2.64
THURSDAY	870.90	−11.01

A lesson for Lloyd's

INSURANCE

ERIC SHORT

LLOYD'S is clearly looking less attractive for the individual investors these days with far fewer people applying for membership. Lloyd's chairman, Mr. Peter Green this week indicated that around 800 applications were expected this year, compared with an intake of 1,274 new members in 1979.

This reduction is not unexpected in view of the problems which Lloyds has encountered recently. These have highlighted the fact that membership of the elite club is not a passport to unlimited riches. Losses, as well as profits, are a part of insurance life.

Mr. Green had some other unpalatable news for members at this week's general meeting. He squashed vigorously proposals that the Central Fund might be used to help members who have sustained heavy losses. He emphasised instead that the fund was created to protect policyholders for payment of their valid claims if a Name defaults. The principle that members stand to lose everything should the syndicate they support get into trouble has therefore been upheld.

Members were warned last November that they would be required to raise their deposits to the level applicable to new names and that this would have to be done within five years. Mr. Green, however, said that action to put up more cash is being deferred until the recommendations of the committee chaired by Sir Henry Fisher have been considered. These are to be made public next Friday.

Nonetheless members will have to show every four years that they still possess the means shown in the last means test.

Mr. Green also discussed in detail the rapidly escalating costs of the new Lloyd's building, but this rise should not come as a surprise to anyone following the property market.

On a more cheerful note, Lloyd's has earned The Times Award for the best contribution to archaeology in the UK by a commercial industrial or business organisation. Apparently, the Department of Urban Archaeology has been digging in the basement of Lloyd's Old Building.

Tesco's margins feel the pinch

THERE WILL definitely be no right issue, Tesco Stores chairman Leslie Porter announced this week, and profits for the current year ending next February will be higher. These reassurances were very necessary to maintain the confidence of the stock market in the face of a slide in profits by just over £1m pre-tax to £36.5m for 1979-80, and a rapid increase in debt to over £60m by the end of February, against net cash of some £20m a year earlier.

It is now three years since Tesco's dramatic attempt to break into a new growth phase through the launch of its cut-price Checkout campaign.

This week's results showed that a strategy which appeared to be working well in its first two years—profits in 1978-79, after all, jumped by almost a third—has come unstuck in year three.

The failure, however, has not been due to an inability to get the checkouts working fast. Sales have been booming, and by April this year Tesco's share of the dry grocery market—according to Audits of Great Britain—was 14.6 per cent including its 1979 acquisition Cartiers. Just before Operation Checkout was launched the corresponding figure was only 7.9 per cent.

Turnover in 1979-80 reached £1,530m excluding VAT, more than double the 1976-77 figure and almost four times the level of 1973-74. But this chase for market share has been achieved at the expense of margins. Since 1973-74 pre-tax profits have risen by less than half, and the pre-tax margin on sales slumped last year to an exceptionally low 2.4 per cent.

Tesco's discomfiture will be viewed with a certain satisfaction, however, by the rival grocery boss Sir John Sainsbury. Not only have J. Sainsbury's pre-tax profits surged ahead this year to top Tesco's by a decisive amount, but its margins have actually expanded. At 3.7 per cent the net pre-tax margin for 1979-80 was one of the highest achieved by the group within the past decade.

Certainly, recent trends vindicate Sainsbury's policy of concentrating on offering customers good value for money and high quality in the grocery field. Over the years, Sainsbury has resisted the temptations to expand into non-foods.

It remains a specialist retailer, and its more recent moves into hypermarkets (and its planned development of do-it-yourself stores) are being conducted through associated companies, in co-operation with British Home Stores and the Belgian group GB-Inno-BM.

In sharp contrast, the Tesco non-foods operations are large, and have been at the centre of the group's trading problems during the past year. As much as a third of the selling space of the group's medium-sized stores has typically been given over to the so-called Home 'N' Wear merchandise range, and since the VAT rise a year ago sales have weakened seriously.

By last Christmas stocks were mounting, and it required some very large and expensive markdowns during the winter sales period to clear the pile-up. Along with interest costs, this explained the sharp second half trading deterioration: in the August-February period Tesco's pre-tax profits fell by almost a fifth.

The problems at Tesco have caused City analysts to look a little harder at Associated Dairies, the Leeds-based group which is strong in the North of England and is busily expanding towards the South.

In the past couple of years Asda has bought its way into non-foods, notably through the 1978 takeover of Allied Retailers, and this could be acting to its disadvantage in the current trading climate.

Still, Asda's share price has been holding close to its 1980 high this week, while Sainsbury has been hitting all-time peaks. Only the Tesco share price has been looking sickly, bobbing about close to its lowest for the year, and about a third down on the peak level reached in what seemed to be more promising circumstances during 1979.

This week, Tesco unveiled its latest plans to regain the initiative in food retailing and throw off all challengers as the industry moves into an exciting phase of large scale superstore development.

One part of its strategy clearly discloses the impact that Sainsbury has been having. Tesco is to shift back radically into food in many of its middle sized stores in the 20,000 sq ft size bracket.

The Home 'N' Wear range will be turfed out, and in its place will appear higher quality foodstuffs like yogurts and frozen foods. Meantime many noneconomic small stores will be shut, though Tesco will continue to operate many specialist non-food outlets, selling Home 'N' Wear goods, which it says can still be profitable.

The other prong of the strategy involves an ambitious and expensive attempt to dominate the superstore scene. A very large amount of new selling space will be opened this year—adding some 850,000 square feet to the 6.2m already in use. By 1984 the total will be 8m square feet, and the group plans to be operating at that stage over a hundred superstores.

Tesco argues that there is a need to hurry in order to snap up the best available sites, which on a slower schedule would be largely developed by rival retailers.

But its plans involve a heavy reliance on outside finance, given that spending (including the Cartiers and three Guya acquisitions) reached £110m last year, and could again top £100m this time.

In the past Tesco has usually been flush with cash, helped by favourable trade credit terms from suppliers, and by stock relief which has almost wiped out its corporation tax bill. Now, however, Tesco is seeking ways of refinancing its rising bank borrowings, and it will probably make use of sale and-leaseback deals with insurance companies and pension funds. To help matters along, it announced this week that it had revalued its property portfolio £175m higher at £360m.

But inevitably there are sizeable risks in Tesco's attempt to expand its way out of its profits squeeze.

And in the short run, analysts fear a further setback in the first half of the current year, when profits could slip significantly below the corresponding £17.1m pre-tax. Tesco will have to rely on a turning of the tide in the second half of the year.

Barry Riley

	£m	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979	1980
TESCO	Turnover	238.4	259.4	299.7	359.0	423.0	500.8	617.0	701.3	953.0	1201.8	1530.6
	Pre-tax profits	12.5	13.8	16.5	21.7	24.6	23.2	25.1	30.2	28.6	37.7	36.5
SAINSBURY	Turnover	187.5	221.4	262.1	296.9	362.1	452.8	543.4	663.8	811.1	1007.1	1226.6
	Pre-tax profits	5.3	6.8	10.0	11.4	13.6	14.6	15.4	26.2	27.6	32.7	43.8
ASDA	Turnover	48.3	72.8	95.1	128.1	158.2	221.3	312.0	429.0	536.0	791.0	*
	Pre-tax profits	1.7	2.9	3.8	6.3	7.4	9.9	14.8	23.9	26.2	41.0	*

Years ended February-April. * Results due August.

BP fuel for Selection Trust

MINING

KENNETH MARSTON

SUDDENLY, THINGS happen. Just when many investment advisers had been advising caution in the mining finance stocks in view of the possible adverse effects on metal prices of the world recession, British Petroleum sent the market blazing into life again this week.

While the terms of the BP bid for London's Selection Trust have yet to be announced, it seems to me that for a start, the move is a good thing for all concerned. Of course, we don't know yet whether the bid will succeed and the key may lie with the UK Charter Consolidated which has a stake of 25.8 per cent in Selection Trust.

Charter, it seems, may have no objection in principle to BP acquiring its holding in Selection Trust. But clearly the price will have to be right for Charter to part with such an important investment.

Just what will constitute the right price remains to be seen, but the feeling in the sharemarket is that it would need to be around the equivalent of £13 per share and it could take the form of a combination of BP shares and cash.

Selection Trust holders who bought the shares at just under £6 on my recommendation in January would thus have no cause to complain.

Their shares are currently around £12 and this weekend these lucky people will be wondering what to do with them. If I were in their position I would be inclined to sell at least part of the holding and take a good profit. The shares may go higher but, on the other hand, there is always the risk of a take-over bid falling through.

As for Selection Trust itself, a take-over by BP would give the group the backing of strong finances; big money is needed to develop new mines these days. If Selection Trust had available such funds in the past it may well have retained a larger stake in its various new mines.

Providing that BP is content to allow the Selection Trust team full rein to pursue their successful course, and I think it may, a merger makes good sense.

BP shareholders should be glad that their group is snapping up an investment with such a good exploration success record—the past 10 years have seen income rise five-fold, and more is to come — at a time when the other oil majors are eager to move into the mineral scene.

Rio Tinto-Zinc holders may be disappointed that BP did not pick their company as a takeover target, but they may find consolation in the knowledge that if the oil majors generally are seeking first rate mining interests then what is good for the oil giants must be good for the RTZ public investors.

Perhaps one of these days an oil major like Shell may have a go at RTZ, but it will cost a great deal of money. The present share price values the group at over £1bn while the real value of its assets must be very much higher. One is almost tempted to think that RTZ is more likely to have a go at an oil company!

BP will not be getting Selection Trust for petty cash. An offer equivalent to £13 per share would be worth some £413m, the biggest take-over bid that the City has seen. On this basis, Charter's holding of Selection Trust would be worth about £106m, equal to £1 per Charter share, the latter being currently around £2.

This kind of money could provide Charter's management with some exciting possibilities for the group's future progress. It could, for example make a bid to acquire the remaining 32.7 per cent not already owned of the very successful Cape Industries insulation and engineering group.

The latter, it will be remembered, strengthened its finances last year with the sale for £15m of its South African asbestos mining interests to Transvaal Consolidated Land and Exploration.

Another possibility would be for Charter fully to acquire the 20 per cent-owned Minerals and Resources Corporation (Minorco), the Bermuda-based natural resource investment company which numbers among its assets a 29 per cent stake in the big U.S. Engelhard Minerals and Chemicals group which markets ores and minerals and refines precious metals.

Meanwhile neither Minorco nor Charter look to be overpriced at this stage of the game and could provide homes for some of the profits that are being offered on holdings of Selection Trust.

Moving on to the world of tin mining in the Far East, today should see the signing in Kuala Lumpur of the final agreement on Malaysia's biggest tin venture, after more than five years of delays arising from political and personality clashes.

The deal concerns the exploitation of the big Kuala Langat deposits which, as I mentioned a month ago, hold the potential of a major new tin mining field.

Our man in Kuala Lumpur, Wong Sulong, says that a new Malaysian joint venture company, Kuala Langat Tin will be incorporated and will be 65 per cent-owned by the Selangor State Government and 35 per cent by Malaysian Mining Corporation.

Charter Consolidated, which made the original discovery in 1972, will be reimbursed to the not too heady tune of £500,000, but will have an indirect interest via its 28.6 per cent holding in MMC. Tronoh Mines comes into the picture with an indirect 5 per cent stake, again held via MMC.

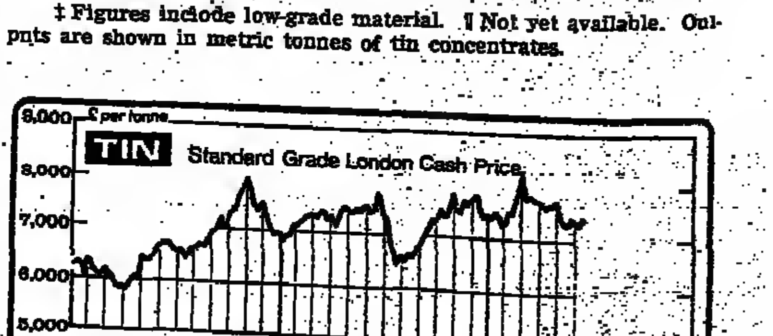
It has been confirmed that there are at least 200,000 tonnes of tin in the 5,000-acre area involved and it is reasonable to expect some extension of the deposit into surrounding areas. The area allotted to KLT will provide work for three large dredges for 20 years and it is hoped that dredging work will begin within 30 months.

The relatively great depth for a dredging operation in which the tin is located—below 150 feet to 300 feet—will be a major technological challenge, but the grade of ore is good and the material is almost completely recoverable because of the hard underlying bedrock.

TIN OUTPUTS COMPARED

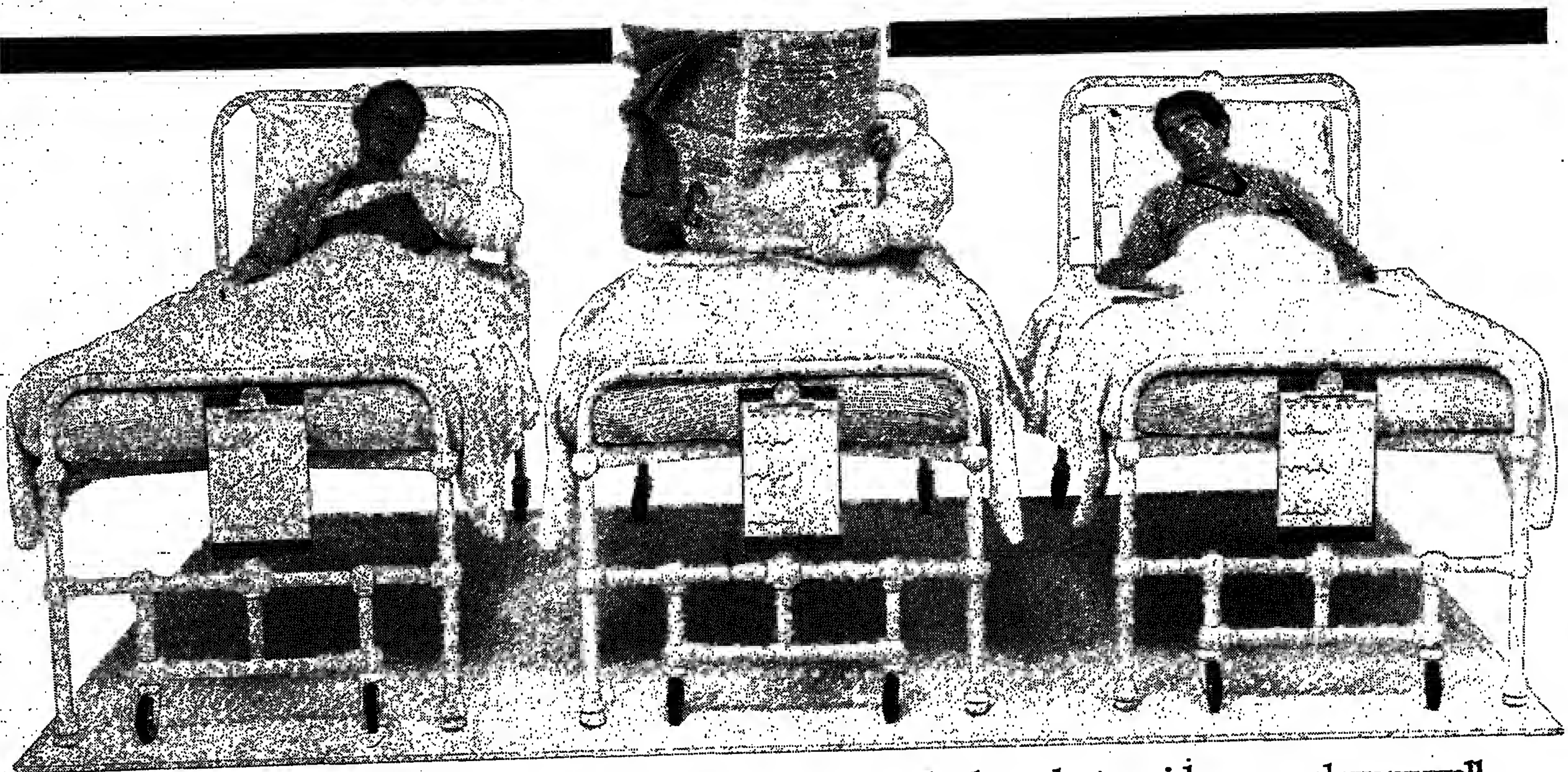
	May, 1980 tonnes	Apr., 1980 tonnes	Total to date tonnes	(months)	Same period previous year tonnes
Amal. of Nigeria (tin)	¶	149	149	(1)	166
Amal of Nigeria (columbite)	¶	16	16	(1)	19
Aokam	145	129	1,646	(11)	1,346
Ayer Hitam	162	108	1,704	(11)	2,159
Berjuntai	297	305	297	(1)	323
Bisichi Jantar (tin)	¶	¶	291	(12)	348
Bisichi Jantar (columbite)	¶	¶	354	(12)	329
CRM Sri Timah	60¾	112	382½	(4)	239½
Ex Lands Nigeria	¶	¶	102	(4)	108
Geevor‡	90	92	182	(2)	186
Gold and Base (tin)	¶	¶	76	(3)	76
Gopeng	144½	145¼	1,278¾	(8)	1,282½
Idris	18	15¾	89¼	(5)	114¾
Kamunting	6	12	18	(2)	114
Killinghall	¶	¶	190¾	(6)	194¾
Kinta Kellas	29	26½	55½	(2)	60½
Kuala Kampar	22	28	50	(2)	40
Lower Perak	23	19	23	(1)	16
Malayan	205	229	3,068	(11)	2,964
Pahang	¶	106	1,152	(9)	1,092
Pengkalen	14½	16½	120¾	(8)	101½
Petaling	¶	144	854½	(6)	779
Rahman	121	90½	855	(11)	775
St. Piran—Far East	17	25	42	(2)	Nil
St. Piran—UK (South Crofty)	169	160	329	(2)	409
St. Piran—Thailand	78	65	143	(2)	151
Southern Kinta	116	103	219	(2)	297
Southern Malayan	147	168	1,924	(1)	2,147
Sungei Besi	117	108	225	(2)	326
Tanjong	25½	38	97	(5)	70½
Tongkah Harbour	12	16	356	(11)	569
Tronoh	135	126	661	(5)	863

‡ Figures include low-grade material. ¶ Not yet available. Outputs are shown in metric tonnes of tin concentrates.



هكذا من الأصل

IF YOU TAKE TO YOUR BED, YOU CAN WATCH US AT WORK.



If you fall ill and have to give up work, there's no better tonic than a regular dose of reassurance about your savings.

Especially if you can see them still growing in spite of the fact that you're in no position to make any regular contributions.

Well, that's the sort of tonic Abbey has built into its Security Plan.

It's very simple. If you're off sick for more than three months, Abbey Life guarantees to continue making your regular payments into the Plan, until you are in a financial position to restart payments yourself. All, believe it or not, at no extra charge.

The Plan, which also offers life cover, is unit-linked. Which means a proportion of those monthly contributions is carefully invested in selected funds like equities or property.

Every week the value of your units is quoted in the national press–so you can lie back and watch just how well we are working for you.

And, modesty aside, we work very well indeed. In fact, Abbey Life has grown to be one of Britain's biggest life companies through its investment prowess–and achievements.

Today we have over half a million policy-holders, using these investment skills for a wide range of personal and family needs.

Like providing funds to give their children a good start in life. Or saving for a comfortable retirement. Or ensuring a good pension. Or even for very large investments. Everyone, whatever their financial position, likes to sit back and watch professionals at work.

If you would like to know more about our policies, ask your usual insurance adviser or write to Abbey Life Assurance Co. Ltd., 1-3 St. Paul's Churchyard, London EC4B 4AL.
Telephone: 01-248 9111.

Abbey Life

FINANCE AND THE FAMILY

Bears and manufactured dividends

BY OUR LEGAL STAFF

I have sold various ordinary shares cum div, which I did not possess and subsequently repurchased same ex div. In such cases, my broker has debited me with the appropriate dividends. Can I offset such dividends against my other income and dividends received on other shares, and thus reduce my liability to tax on unearned income?

No: these manufactured dividends, arising from your bear transactions straddling the ex-div dates, will actually increase your income tax liability.

Under subsections 1, 4, 6 and 6A of section 477 of the Income and Corporation Taxes Act 1970 (as amended by the Finance Act 1973), you must pay extra tax equivalent to 3/7ths of the amounts debited to you by your broker.

You may like to check the precise rules in, say, *Simon's Taxes* or the British Tax Encyclopoedia, in a local reference library.

Jointly owned land

My wife and I own a piece of land about ½ acre, jointly with our next door neighbour. It is now joined on to, and forms part of our gardens. What kind of insurance do we need? Can it be done separately from our neighbours? Will the company who insure our house take this extra bit of land, and will it cost any more?

It is perfectly possible for you to insure the risks which you may require in respect of the jointly-owned land separately from your co-owners, and whether as part of or separately from your house insurance. Separate insurance may be preferable if, as is likely, you only require to insure against occupiers' liability (assuming that there is no building standing on the land). You should enquire of an insurance broker.

Your existing insurers will undoubtedly extend their policy to include this land, and any increase in premium should be small if there are no special hazards connected with the land.

MP's letter and tax office

I have, for many years, been employed as a clinical assistant in anaesthetics by the local hospital, and have worked under my maiden name. In 1972 I took on a further few sessions as a medical assistant in a different speciality at the same hospital, but was this time appointed in my married name and paid as such by the area health authority directly. I have, for about seven years now, received two cheques every month on a PAYE basis. I have now received from the inland revenue, a tax assessment stating that I owe them nearly £2,500 for wrong assessment as two separate persons over the seven years.

Could you tell me if I have any redress in the matter as it is a large amount to be asked to pay for no fault of my own, and, if I have to pay it, the least painful way of doing it?

It is a little puzzling that you did not realise that you were having too little PAYE tax deducted from your total pay; and any application to pay off the arrears by instalments will be affected by the inland revenue's impression as to the extent to which you were negligent in not noticing your unusually low tax deductions.

However, there has apparently been maladministration at the tax office, and possibly in the wages department of the area health authority, so you could consider writing to your MP with a view to a complaint to the Ombudsman. An MP's letter receives particular attention in a tax office, so your member's support for your application to discharge your tax debt by instalments will be valuable (even if you do not pursue the matter to the Ombudsman). This is the kind of problem which might best be dealt with by a chat with your MP, preceded by an explanatory letter.

Meanwhile, do not delay writing to the inspector and collector asking for time to pay (and mentioning that you are contacting your MP, if indeed you decide to do so).

House owned by company

If an unmarried couple live together in a house owned by a limited company belonging to one of the couple, does the other have a legal right on that house if it comes to a separation?

In normal circumstances the person who has no interest in the company would not have any right in, or to remain in the house, but the position could be altered if representations or promises had been made to that person as a result of which other accommodation was given up or not taken.

Enforcement of planning

I live on a private estate comprising 11 properties, of which one has been using his premises for business purposes without planning permission and this has caused the breaking up of the road. A council enforcement order has at last been served on the offending owner for his business to cease, but nothing has happened. What can be done about the liability of the other 10 owners for their shares of the cost of resurfacing? As the council seems very slow in getting its orders enforced, could one serve an injunction through the Court on the offending business?

There is no means by which you can alter the contractual arrangement for each house-owner to pay one-eleventh of maintenance costs, other than by getting the other parties to agree on a new basis—presumably the offending owner would not accept a heavier burden. Your only means of forcing that owner not to continue his commercial use would be if there are restrictive covenants in his and your titles which you can enforce as a "building scheme." Otherwise you must rely on the local authority, which can be invited (or bullied) to serve enforcement notices, but cannot be made to do so. An individual cannot enforce planning control.

Right of way by prescription

I live in an inside house in a block of four terraced houses, and have been here since 1947. I have always had access to my back door, through the garden of the end house, along a concrete path, some 2 ft 6 in wide, which goes right to my back door. My neighbour, through whose garden the path runs, is now contemplating building a 2-storey extension, which would render the existing path unusable. Will you kindly advise me my rights in this matter?

It seems that you have acquired a right of way by prescription, i.e. by continuous use for over 20 years. If so, you are not obliged to give it up—and the owner of the land over which the way runs must secure your agreement if he wishes to divert the route—he is not entitled to divert it as of right. You should at once make known your claims to the neighbour and require him to acknowledge your rights. If you agree to a diversion of the way you should see that it is recorded, preferably in a deed granting the new way. You should consult a solicitor if there is any dispute as to your rights.

No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible.

Schedule E and expenses

On behalf of my daughter who is a physiotherapist working in a London hospital, I, as her appointed agent, made the following small claims for expenses for her for the year to 5/4/79:

1—Subscription to Charted. Soc. of Physiotherapists	£12
2—State Registration Fee (annual)	£6
3—Purchase of stethescope	£14
4—Purchase of uniform and shoes	£18
5—Purchase of uniform tights	£15
6—Laundering of uniform	£24
Total	£89

This was her first job since qualifying. I have had a series of communications with the Inspector of London Provincial 13 District in Stratford and he refuses to allow more than £20, made up of:

Subscription to C.S.P.	£12
"Agreed allowance for shoes and tights"	£8

He rejects the claims for items 2, 4 and 5, by saying that the "agreed allowance with the relevant Trade Union/Whitely Council" for shoes and tights is £8 per annum and the State Registration Fee (which is compulsory) is not considered an admissable expense. Surely the latter is a legitimate expense, regardless of whether it has been "agreed?"

I am thinking of appealing to the General Commissioners but could I have your views first?

The schedule E expenses rules (in sections 189 and 192 of the Income and Corporation Taxes Act 1970) are notoriously narrow; they are framed for administrative convenience, not equity, unfortunately. As the inspector says, item 1 falls within section 192, but item 2 does not.

The £8 allowance (corresponding to items 4 and 5) is given under extrastatutory concession A1 automatically, without enquiry as to the expenditure actually incurred. You may like to ask the inspector for a copy of the free booklet of extrastatutory concessions (IR1), from which you will see that the existence of this flat-rate allowance does not debar your daughter from claiming a deduction for her actual expenses instead. However, even if she can produce receipts and a record of the shoes and tights which were used wholly and exclusively in the performance of her duties, her claim would probably fail unless she could satisfy the General Commissioners that the tights were not worn outside working hours; i.e. that she did not put them on until she arrived at the hospital to commence her duties each day and that she took them off immediately upon the cessation of her duties (before going home etc.). The law is absurd but it is rigidly upheld by the Courts.

For reasons which perhaps we may be excused from setting out at length (but which are based on Court decisions over the years), we can offer you no hope of success on item 6, and virtually none on item 3.

The vulnerable motor cyclist

INSURANCE

JOHN PHILIP

PARTLY BECAUSE of the apparent (rather than the real) rise in the cost of motor cars, the motor cycle, and other power driven two wheelers, is becoming an increasingly attractive form of personal transport. This is particularly true for the young male citizen.

According to a recent Automobile Association survey, at the present time 55 per cent of all motor cyclists are under 21 and 87 per cent of all motor cyclists are men. Age and sex apart, AA reckons that one motor cyclist in four can expect to have an accident each year—this figure compares with the fairly constant one in seven incidence among car drivers. Without going into precise figures, AA says that accident incidence is *highest* among motor cyclists in the 17-20 age group.

There are no insurance market statistics available for young motor cyclists, but over the years motor insurers have developed detailed statistics for car drivers. These show that the "comprehensively" insured young driver under 21 has between a 1 in 3 and 1 in 4 chance of claims each year, while his non-comprehensive neighbour of like age has a 1 in 5 chance of claim.

If, across the whole range of motor cycle and car drivers, accident frequency is around 80 per cent higher for motor cyclists, it is reasonable to assume that this percentage will apply to young motor cyclists as well. In this case the youngster must have a 1 in 2 chance of accident in each of his early motor cycling years. Small wonder that young motor cyclists are not much sought after by motor insurers.

In fact there has never been the wide competitive insurance market available for motor cyclists that car drivers enjoy. Many motor insurers firmly set their underwriting policy against providing motor cycle cover except for connexional reasons, because it has proved more than unusually difficult to make any profit out of motor cycle insurance.

In the company market Norwich Union has always written motor cycle business in quantity, while there is a long running Lloyd's scheme run through brokers Howson Devitt which has a sizeable number of policyholders. Although there are perhaps a score of other major motor insurers providing motor cycle cover, their total share of the market is small.

Now A.A. Insurance Services has arranged with Sentry Motor Insurance (an American-owned motor insurer that has been operating here for some 10 years) to underwrite a special motor cycle insurance scheme. Much of the scheme seems likely to prove attractive to the more mature, experienced driver with a good record, as Sentry is offering 35 per cent and 40 per cent no claims discount to those motor cyclists who can show three or four consecutive years without claim. Only one or two insurers now offer motor cycle cover with the possibility of earning NCD in this range, and many do not offer any NCD at all.

Since, for many, price must be the factor that determines the choice between car and cycle, it follows that the average motor cyclist tends to look for the most economical premium. At present AA-Sentry seems to provide very cheap "comprehensive" cover. Take, for example, a 350 cc machine. Out of London, the 21-year-old experienced motor cyclist faces a book rate of £120, and has to bear a £50 damage excess. The book rate for a 25-29 year old is £80, while the book rate for anyone of 30 or more is only £70—each with a £25 damage excess. When you remember that these rates can be discounted by up to 40 per cent NCD over four years they are cheap indeed.

In fact the question other motor cycle insurers must be asking is how can Sentry hope to make any profit with such rates and even if it can, how long can these rates be held, having regard to the present pace of inflation?

The motor cyclist who wants to reduce his premium can get 10 per cent off by voluntarily doubling the excess he has to bear, and he may be able to get a further reduction if he has completed a recognised motor cycle training scheme and has obtained a proficiency certificate. On this latter aspect perhaps insurers are not going to be giving much away—AA says from its survey that only one rider in five reckons to have had proper riding-driving instruction.

Motor cycles, like cars and many other personal possessions, are often bought with hire purchase facilities, and many of the finance houses offer their borrowers credit insurance, to cover the repayment of instalments during periods of disablement caused by injury or illness. The difference between the motor cycle and most other possessions is that its use is often the cause of the injury that puts its owner out of work with fractured arms, legs or worse.

In connection with the Sentry scheme, AA members can buy cover for the repayment of hire purchase instalments of up to £50 a month and £250 in total, payment being made when the motor cyclist has been injured and off work for more than one month. The additional premium for this cover also looks cheap—£5 for the motor cyclist under 25 and £2 for his neighbour aged 25 or more.

Questions of gains

TAXATION

DAVID WAINMAN

THERE ARE those who believe that our capital taxes are due to be radically amended, a word taken to be synonymous with reduced. Their belief is that this reform is imminent, although the Chancellor has not found it possible to bring it forward this spring.

Only last week, Chief Secretary to the Treasury, Mr. John Biffen, tabled an amendment to the Finance Bill reshaping the provisions of Clause 73 to require that "the held-over gain shall be reduced . . . if part of the gain on the disposal is relieved under S.124 Capital Gains Tax Act 1979, by so much if any as exceeds the part so relieved."

Clause 73 is the provision which allows for the "holding-over" of Capital Gains Tax where an individual disposes of an asset to another individual and the transaction is not an arm's length one. If father gives his weekend cottage to son, any capital gains liability which father would otherwise have had to pay on that disposal can be deferred until the son himself disposes of the cottage.

At that stage, the son's liability is calculated as if he had acquired the weekend cottage at the price his father paid for it, and not (as would have been the case had his father been taxed on the disposal,) at the open market value at the date he was given it.

The clause applies not only to gifts, but also to sales at undervalue. Depending on the level of that undervalue, father may find himself paying some tax—and if he does, his son's prospective liability is correspondingly reduced.

If we assume that the father paid £20,000 for the cottage, and it is worth £50,000 at the date of transfer, the son acquires a liability to tax on £30,000 which will crystallise when he sells the cottage. These figures remain unchanged if the son pays his father £15,000 for the cottage.

But if he pays £27,000, his father is taxed on £7,000, and the son's future liability will be on £23,000. Clause 73 refers to the latter as a reduction in the held-over gain where "that actual consideration exceeds the sums allowable as a deduction under S.32 of that Act."

Those who are aware of the general shape of capital gains tax will, however recall that before Clause 73 was thought of, there were two other provisions which had not dissimilar effects in certain circumstances.

Gains made by those giving business assets (to the next generation for instance,) could be held-over: and under the so-called "retirement relief" gains of up to £50,000 may be taken out of tax altogether.

The latter provision is not conditional on the relevant assets being given away, nor on their owner's retiring, but only on his being over the age of 60. Each year of his age over that figure entitles him to a reduction of £10,000 (up to the maximum already mentioned of £50,000, and with any part year providing proportionate reduction,) in the gains made on his sale or gift.

The assets on which retirement relief is available are those used in an unincorporated business, or those owned by a company in which he or his family had a substantial stake, and for which he worked full time. The definitions are long and complex; and where he is disposing of shares in a company, there is an even longer and more complex formula for tracing through the "gain" he is deemed to have made on its assets into the gain he does actually make on its shares.

We have already noted that where assets are given away or sold at an undervalue Clause 73 of the Finance Bill is designed to give a hold-over. As it was originally drafted, it would have required our 65-year-old businessman to choose between that hold-over and retirement relief.

One possibility would have been to claim the latter, but he would then have had to pay tax on any gain in excess of the £50,000 exempted. The alternative would be to claim the hold-over and thus avoid any immediate liability — but to leave the new owner of the assets with a prospective liability on the entire gain.

Mr. Biffen has had second thoughts about this. (Or perhaps he never meant to force such a choice on the taxpayer — neither the Budget speech nor the contemporaneous Revenue press releases hinted at its being intended.) In any event, his amendment allows the 65-year-old to have his full retirement relief, while also allowing a reduction of that same £50,000 in the held-over liability of his successor.

But none of this explains the seeming duplication between Clause 73 and the existing business assets relief. Both work only for non-arm's-length transactions, and where donor and recipient are each individuals; and while the assets upon which the business relief is available are not unlike those covered by retirement relief, Clause 73 applies to all assets.

The solution to the riddle is written into Clause 73 itself. Business assets relief is no longer to apply to the normal individual-to-individual gifts.

It has not been repealed, but is left as a pale shadow of its former self, applying only to businesses held in trust, where the assets are settled property which is deemed to have been disposed of by trustees when the trust comes to an end.

But Clause 73 contains one other feature which did not appear in its more limited capital gains tax predecessor. As well as a possible capital gains tax liability, there is likely to be a capital transfer tax charge when business or other assets are given away.

There are of course reliefs from capital transfer tax for those who make gifts of business assets, although inevitably the definitions differ from those of capital gains. But a liability may still be anticipated.

The novelty in Clause 73 is a reduction in the calculation of the future capital gain in respect of any capital transfer tax liability. The held-over gain eventually realised by the recipient can be reduced in normal cases by the amount of capital transfer tax paid. Alternatively, if the capital transfer tax liability is larger than the held-over gain itself, that latter is reduced to zero.

UNIT TRUST AND INSURANCE OFFERS

Keeping track of trends

STAMPS

JAMES MACKAY

ANY APPROACH to philately that gets away from the usual minutiae of watermarks, perforations and phosphor bands is welcome, both for introducing newcomers to a very rewarding hobby and also for giving established collectors a fresh slant on their subject. For nigh on 30 years the American Topical Association has kept up a steady output of handbooks and checklists of stamps classified according to the subjects depicted on them and every topic from aviation to zoology has been comprehensively covered. The ATA publish a periodical digest of articles on some of the more esoteric themes, and an annual handbook recording all the issues of the previous year.

Topical Issues of 1979 ($5.00) lists over 6,000 stamps issued last year, divided into 104 subject categories, each of which is arranged in alphabetical order by countries. Since many postal administrations these days endeavour to get several themes on each stamp, cross-referencing is imperative and this the ATA has carried out admirably. The book is profusely illustrated, providing a vivid commentary on developments in stamp design in the late 1970s, with the emphasis on larger formats, the virtual elimination of formal frame-lines and an increasingly casual approach to any sense of discipline in graphic art.

The current fashion seems to favour off-centre designs, and the traditional notion that a motif should be placed fairly and squarely in the centre is regarded as passé. Wisely, the ATA do not pass comment on designs but are content merely to list the motifs. This book is available direct from the American Topical Association, 3308 North 50th Street, Milwaukee, Wisconsin, but can also be purchased from leading British dealers.

A critical appraisal of stamp design is, in fact, the subject of the oddly titled *Royal Mail Stamps* by Stuart Rose (Phaidon, £9.95), who held the position of Design Director at the Post Office from 1968 to 1976, the culmination of a lifetime spent in the applied arts. Mr. Rose is thus in a unique position to give us an insight into the how, why and wherefore of British stamps, especially in the period in which they have undergone the greatest changes. According to the publisher's blurb, this is the first new book in 30 years on stamp design—a sweeping and totally unfounded statement if ever there was. Apart from my own recent contribution to Commonwealth stamp design, published in 1965 to mark the 125th anniversary of the Penny Black, there is fellow stamp-designer David Gentleman's excellent *Design in Miniature*, not to mention William Finlay's encyclopedic *History of Stamp Design* (Stanley Gibbons, £3.50).

Had Mr. Rose taken the trouble to read some of these books he might have avoided a number of errors and confusing generalisations which detract considerably from his book and inevitably make one question the authoritative quality of those chapters where one assumes Mr. Rose to have inside information. Even these are marred by a haphazard attitude towards the spelling of his colleagues names; Michael and Sylvia Goaman are sometimes referred to as Goarman, while Faith Jaques is rendered throughout as Jacques. The chapters dealing with British stamp design from 1840 to 1965 are perfunctory to the point of meaninglessness, but the anecdotal approach to more recent design policy is quite entertaining.

At the other extreme, the byways of philately seldom attract the attentions of "commercial" publishers, yet, ironically, these are the very areas which offer the greatest scope to the collector trying to get away from the well-trodden path. The amount of literature on the sidelines of stamp-collecting is a useful barometer of the rising interest in these fields. Here at least one may be certain that these publications, produced with little or no thought of a profit, are as factual and correct as humanly possible, often representing the life's work of a dedicated band of enthusiasts whose only consideration is to place their combined knowledge in some permanent form for the benefit of other students.

Significantly, the emphasis just now is on aspects of postal history and postal markings, subjects which have been largely ignored by the more conventional stamp catalogues. Recent publications in this field range from the monumental *English and Welsh Postmarks Since 1840* (£9.95, 11, Newall Terrace, Dumfries) to *Experimental Duplex Cancellations of Scotland* (£5.50, Edinburgh Stamp Shop, 72, South Clerk Street, Edinburgh). In between there are *Pre-Victorian Stamps and Franks* (£4, BPH Publications, Bath Road, Chippenham, Wilts); *Lancashire and Cheshire Local Receiving Office Stamps* (£3, 50, Booth Hall Road, Blackley, Manchester); and *The Transatlantic Post Office* (£1.75, from Rogar Hosking, Ice House Wood, Oxted, Surrey). And demonstrating that postal history is right up to the minute there is Jack Peach's *UK Machine Marks* (£3.40, Vera Trinder Ltd., 38, Bedford Street, London, WC2), *An Introduction to British Postal Mechanisation* (£1.50, 9, Leighton Avenue, Pinner, Middlesex) and the *Regus Guide to British Post Office Regional Postcards and Covers* (95p, 99, Churchgate, Southport). These and many other specialist handbooks are available from Vera Trinder Ltd., who publish a regular catalogue of current philatelic literature, including foreign imports.

The latest in Stanley Gibbons' marathon series of foreign stamp catalogues are *Czechoslovakia and Poland* (£8) and *South America* (£9.50). The first includes the wartime issues of Slovakia, Bohemia and Moravia, the plebiscite issues of Silesia, the Czech Legion in Siberia and the Polish military posts. With the publication of these volumes the proposed 22-part series reaches the half-way mark.

YOUR SAVINGS AND INVESTMENTS

Tim Dickson reports on the prospects for getting a mortgage

Light on the home loans front

MORTGAGE QUEUES are shrinking. Home loans in some parts of the country are now virtually obtainable over the counter, even though demand from first time buyers appears to be as strong as ever. Building societies are still "rationing" their resources by imposing tough rules on new customers.

These are some of the conclusions of a straw poll of some of tha largest and a couple of the smaller societies coducted this week. Managers' responses suggest that while the gloomy outlook for prospective house purchasers has not entirely disappeared, the chances of obtaining e mortgage this weekend are considerably brighter than they were at the beginning of tha year.

Only a few months ago building societies were being beseiged by applications from would be borrowers. Waiting lists of up to 12 weeks were not uncommon and on top f this a large number f potential customers were reluctantly turned eway and told to try again later.

Why the change? Several reasons are advanced, notahly the continning high level of interest rates, the current economic undertainty and the stagnation of real incomes. On this last point observers point out that bouse prices moved ahead significantly faster than earnings in 1978 and 1979—the average house price, for example, is now four times the average salary, compared with a multiple of 3½ times normally. As a result demand was bound to slacken off sooner or later.

Mortgages are available in spite of the fact that building eociety net receipts have been far from satisfactory.

But as Mr. Bob Rendel a general manager of the Abbey National, points out, high interest rates have swelled the amount available for mortgages. "High rates have had a hidden effect because a lot of building society savers tend to reinvest their interest with us," he explains. "This has been a great help in recent months."

The Abbey National reports a marked reduction in demand recently though this has varied from region to region. "I suspect that if yon walked into some of our branches you could almost get a loan over the counter," says Mr. Rendell.

Abbey National is relnctant to discuss general rules but loans are restricted to 2½ times the "primary" salary (i.e. the chief breadwinner's) and once the secondary salary (i.e. the less highly or more lowly paid epouse).

Demand for mortgages at the Nationwide is generally still firm, though the south east and one or two other pleces are exceptions to this rule. "Last autumn prices were being hid np to ridiculous levels compared to the rise in incomes in the London area. This has taken its toll on the market," says Mr Joe Bradley.

First time buyers, however, are not being deterred in the current difficult conditions, according to the society, though they have apparently shifted their attention to older bouses. In the first quarter of 1980, for example, 36 per cent of Nationwide's lending was made against pre 1919 properties, compared with 30 per cent a couple of years ago.

Nationwide's multiple for first-time buyers is 2¾ times for the "principal" salary and once for the "secondary."

The ranks of borrowers et the Halifax Building Society thinned out "immediately after the Christmas holidays." A discernible, if marginal, increase in demand occurred at the beginning of the traditional buying season in mid-March but according to the Halifax spokesman for those who can afford it and for those who have been regularly saving with the society, it is now easier to get a mortgage than at any time since the spring of 1978. "The market is still steaming but it is certainly not bubbling as it was during most of 1978 and 1979," he added.

Halifax's income multiplier for the principal salary has been reduced from 2¾ times to 2½ times where it still stands. There are no current plans to raise it again.

Amoog smaller societias the Derbyshire is finding larger mortgages (in the East Midlands area that means about £17,500 and npwards) are less in demand. At the other end of the scale, however, the pressure on the society's resourcs is still strong. Queues are currently not generally more than 8 weeks and the society'a income multiplier is 2½ times.

It's still a long way down the Burmah road

IF THE Burmah Sbareholders Action Group hoped for a change of Government attitude when the Conservatives took over responsihility for conduct of tha legal case over Burmah'e BP stock claim, they have been disappointed. An extensive correspondence campaign is confirming that the Conservative administration prefers to let the matter take its long, long legal course rather than seek a settlement.

It was in January 1975 that Burmah Oil was rescued by the Bank of England on terms which included the disposal of ith prized shareholding in BP for a modest £179m. The value of the stake doubled within a few months as the stock market rallied, and the current value is roughly £1bn more than Burmah was paid.

The initial proposals for support by the Bank of England provided that the BP etake would be subject to some form of profit sharing arrangement between the Bank and Burmah. This was subsequently overruled by the Treasury. Burmah believed that in certain respects the deal may bave contravened commercial law, and bas consequently entered into litigation with the aim of regaining the sbareholding. This amounts to some 310m BP shares.

In the aftermath of the Burmah rescue e number of Conservative politicians, then of course in opposition, expressed concern at the severity of the Government's action. Whet provoked particular worry was the impact on the fortunes of Burmah's 160,000 shareholders. Burmah was one of the shares most widely held by small investors.

The then Shadow Energy Secretary, Mr Patrick Jenkin, said in the House of Commons in February 1975 thet the terms of the rescue were such that "lasting damage" bad heen done "to the credibility and independence of the Bank of England as e lender of last resort."

When the Tories came to power last year the Burmah Shareholders Action Gronp, wbicb acts independently of the Burmah hoard, although supporting its legal action, decided to test out the views of the incoming ministers. Not surprisingly, they fonnd them to be a good deal less sympathetic than when in opposition.

Thus Sir Geoffrey Howe, the Chancellor, recently expressed his reluctance to intervene in a private letter. "Tha Crown is not, and never has been, in any capacity a party to the main ection," he suggested. The Government, it would seem, has nothing to do with the Bank of England.

Mr. Jenkin pointed out politely that ha had not bad anything to do with the energy portfolio for some years. As for Mrs Margaret Thatcher, she stated firmly that it would be inappropriate for her to comment in view of her hushand's connection with Burmah. At the tima of the company'e crisis Mr Denis Thatcher was planning director.

Confronted by this brush-off the BSAG has asked Burmah shareholders to enter the correspondence battle. It suggested they sbould write to their MP if they live in a Conservative-beld constituency, and directly to Mrs Thatcher if they have a Labour MP. According to BSAG, some 10,000 shareholders bave in fact written letters.

A number of MPs have tried to contact the Treasury to gain further information in response to this pressure from their constituents. But as far as could be established this week, no MP bas yet received a reply.

There is certainly nothing to force the Government to take early steps to settle with Burmah. The case is not dne to come to Court until next June, when an eight-week witness action is echeduled at the High Court. By the time a judgment is delivered, probably some time in the following autumn, almost seven years will have elapsed since the relevent events took place.

The tragie aspect of this is that large numbers of Burmah's sbarebolders are elderly. Since 1974 the number of sbareholders has shrunk to some 120,000. Jonathan Stone, Hon. Treasurer of BSAG, points out that even after the case is decided ther could be appeals to the Court of Appeal and then to the House of Lords.

"Very many sbareholders are old," he says. "Justice delayed is justice denied. The Government could stick it out for another three to four years."

The sbeer size of the Burmah claim is, however, a major disadvantage as far as BSAG is concerned in seeking to pnt moral pressure on the Conservative edministration. Expenditure of over £1bn is not something that could be lightly considered by any Government, especially one faced with such pressing problems in the reduction of pnblic spending.

Of course, Burmah wonld settle for substantially less in an out-of-court deal. No doubt the Burmah Board would go along with the restoration of the original profit sharing arrangement favoured by the Bank.

Although the concept was never defined at the time, the implication could be of a fifty-fifty deal. Evan this would have a noticeable impact on the Public Sector Borrowing Requirement.

If it came to negotietion it might well be that Burmah could be persuaded to accept a mucb lower sum still, rather than undertake the risks and costs of litigation. But the Treasury itself would he running risks in any such offer, for it would encourage Burmah'e conviction in the strength of its legal case.

All the wey through the affair the Government bas maintained that its case is watertight. Logically, therefore, it cannot admit any legal reason to seek a settlement (though this still leaves room for an ex gratia payment on moral grounds).

So, for the moment, stalemate persists. At least Burmah this year has returned to the dividend lists, but it remains a shadow of its former self. Its market capitalisation is around £330m, compared with the £1.2bn or so represented by its full claim over the BP share stake.

Even if Burmah eventually received some sort of settlement, tbe benefit would go largely to more recent holders rather than to the unfortunate original investors wbo suffered a collapse of the value of their investment during 1974, and the disappointment of no income for some five years.

Meantime the City awaits a spectacular legal case which will see high officials of the Bank of England and the Treasury in the witness box, seeking to justify a transaction which has netted tbe Government a huge and largely unexpected profit.

BARRY RILEY

A straight choice

IF "Will you marry me?" is sometimes the first question before setting np home, "How do we repay our mortgage?" is often the next.

The reletionship between romance and finance admittedly may not be so close hut at some stage every prospective home owner has to choose between wbet is known as the annuity or straight repayment method and a life company low cost endowment policy. Tba arguments over wbich is best—they hinge typically on estimated rates of inflation, discounted cash flow, interest rates and future salary levels—have kept slide rules humming for some years now. They will no doubt continue to do so.

The eccompanying table, which has been put together with the help of the magazine Money Management and the Bristol and West Building Society, belps to illustrate some of the points used in the debate.

The figures individnally represent the total net annual payments on a £10,000 mortgage at six stages of a 25 year term. They sbow the position for someone paying basic rate, 45 per cent or 60 per cent rates of tax, and compare the repayment and endowment method, using the current policy with the lowest net premiums. The third and fourth colnmns are somewhat different—they ebow what the repayments of someone paying basic rete tax would amount to in today's money values. The totals at the bottom of the table represent the aggregate of 25 years of net payments and therefore the total net cost of each method.

The annuity or straight repayment system is probably most familiar to the mejority of building society customers. The borrower deals only with a building society and repays e mixture of interest and the original capital. Repayment schedules are worked out so that the gross figure is identical each month, assuming the mortgage rate does not change. Net payments, however, increase as tha term proceeds hecause tax relief is very generous at the beginning (when repayments mainly comprise interest) and largely insignificant nearer tha end of the term (when the repayments are mainly capital).

Low cost endowment policies, on the other hand, are more complicated. The borrower's regular commitment consists both of interest payments to the building society and premium payments to e life company.

REPAYMENT vs. ENDOWMENT: ANNUAL REPAYMENT COSTS

Year		Tax rate 30% R*	Tax rate 30% E*	Tax rate 30% (adjusted for 15% inflation) R*	Tax rate 30% (adjusted for 15% inflation) E*	Tax rate 45% R*	Tax rate 45% E*	Tax rate 60% R*	Tax rate 60% E*
		£	£	£	£	£	£	£	£
	1	1,112	1,206	1,112	1,206	887	977	662	748
	5	1,123	1,210	642	692	903	981	684	752
	10	1,148	1,210	326	344	941	981	734	752
	15	1,198	1,210	169	171	1,016	981	834	752
	20	1,299	1,210	91	85	1,168	981	1,036	752
	25	1,493	1,210	52	42	1,462	981	1,432	752
Total	1-25	30,455	27,541	8,518	8,909	26,155	21,822	21,855	18,103

*R=Repayment; E=Endowment

These premiums are then fed into a policy which is designed to build up a cash sum large enough to repay the mortgage at the end of the 25 year term.

Snch e scheme typically consists of a decreasing term policy (to cover the risk of death in the early years) and a with profits policy. If all goes well good bonuses and a terminal bonus should leave the borrower with an "extra" lump sum at the end of the term.

One of the merits of the endowment method is that tax relief at the borrower's top rate can be claimed on the interest paid to the building society and tax relief at 17½ per cent (15 per cent from next year) can be claimed on the life insurance premiums. As the table shows, however, low cost endowment policies are invariably more expensive initially and only come into their own (in today'e mooey values at any rate) at some stage after the tenth year. For this reason younger house buyers often find them unattractive.

As the totals at the bottom of the first two columns suggest, the net nominal cost to a basic rate taxpeyer of an endowment mortgage over 25 years tends to be less than if the repayment method is used. In all cases, incidentally, the endowment totals heve been reached after subtracting £2,705. This is the amount of the maturity valne in excess of £10,000 projected hy London Life.

A look et columns three and four, meanwhile, illustrates the effect of inflation. Pounds today are worth considerably more than they will be in 25 years' time. For this reason the lower initial payments under the straight repayment method actually represent more buying power than the lower repayments under the endowment method later in the term. This is a point which financial advisers, some of them with a vested interest, seldom emphasise.

Higher rate taxpayers, and those expecting in future to pay higher rate tax, are likely to be better off with the endowment method because they are able to claim relatively more tax relief. The benefit is not likely to be significant either way for the borrower paying basic rate, though when interest rates are high the repayment method seems to have a distinct edge at the beginning.

Party almost over

INVESTORS prepared to shop around this year have been able to pick up hargains in the annuity market, with rates in line with medium and medium-long interest rates. The party, however, could soon be coming to an end. The stock market is now actively anticipating a cut in MLR, possibly by two points from a record 17 per cent to 15 per cent. The recent surge in gilts and equities has been based on this assumption.

Life company actuaries calculate their annuity rates on the prevailing medium and long term interest rates. There is, however, usually a time lag of a couple of weeks between interest levels changing and life companies moving their annuity rates. Investors who can interpret the market indicators correctly can take edvantage of this delay.

Under current conditions investors considering huying an annuity should be prepared to act quickly if they believe the market is right about a drop in interest rates. The table shows the current best annuity huys. In particular, anyone who is self-employed and considering taking at least part of his pension should act soon.

Under self-employed pension arrangements, the investor takes the cash accumulated on his policy and buys an annuity, either with the company that issued the policy or with another life company.

The big question is whether MLR will be cut as soon as the market expects. The growing pressure from industry for a cut is counterbalanced by the still unsatisfactory money supply figures. Some feel MLR will not be cut unless the authorities are confident that the money supply is under control. If it is not cut soon, Stephen Lewis of stockbrokers Phillips and Drew thinks, expectations could change again for the worse and interest rates could well bounce back up.

TOP ANNUITY RATES CURRENTLY AVAILABLE FOR AN INVESTMENT OF £10,000

Man aged 65 Company	£	Woman aged 60 Company	£
RNPFN*	1,847	Economic	1,595
Sentinel	1,816	RNPFN*	1,581
Economic	1,811	Sentinel	1,581
Crusader	1,807	Crusader	1,573
Generali	1,788	Generali	1,562
English Ins	1,766	CMG	1,535
Equitable Life	1,757	UK Provident	1,528
Eagle Star	1,755	Equitable Life	1,527
UK Provident	1,755	Provident Mutual	1,524
Scot. Amicable	1,754	Ecclesiastical Ins.	1,524

* not available to the general public

Source: Planned Savings Rate Guide

It would appear that life companies' crystal balls are still cloudy. The pattern in receot weeks has been for annuity rates to be cut marginally.

Although they could move a little higher again, any reductions are likely to be more significant. On balance, therefore, it seems that little will be gained by waiting. For those ready to act the table shows the importance of shopping around.

Investors considering guaranteed income bonds, meanwhile, will not necessarily have a few days in which to make up their minds. The life companies offering these bonds cannot afford to get out of step with the market, so when interest rates change, bond yields have to be adjusted immediately.

Bond yields have been remarkably stable for some weeks now, but the position could change overnight. Liberty Life has given advance warning that its top rates of 12 per cent over three and five years will only hold until June 27.

Income bonds still appear popular with investors, despite the Chancellor's decision to put a stop to the ultra high yields on one and two year bonds. There are still 20 life companies in this market, including two conventional ones—Eagle Star and Sun Life. If interest rates are about to fall, then these bonds offer a better return than the building societies, where rates tend to move with the market generally.

The life assurance industry heard some pleasant news from the Inland Revenue this week. It confirmed that Clause 29 of the Finance (No. 2) Bill 1980 is only aimed at short term bonds and that other forms of connected policies which make use of the tax relief privilege will not be affected. The Revenue statement lists the types of contracts that are acceptable. But at the end it points out that this list will be reviewed "in the light of changing circumstances."

This could well be a warning to life companies not to try to be too clever in their product design. On the other hand, it would be a pity if this resulted in a block on product innovation.

ERIC SHORT

TRAVEL

堅决貫徹國民經濟調整的方針

WHOLEHEARTEDLY IMPLEMENT THE STRUCTURAL READJUSTMENT OF THE NATIONAL ECONOMY

The innocent in China: a notebook

WHEN YOU learn thst the population of China is somewhere around the 1bn mark, you tend to expect that the country must be, well, slightly crowded. But when you arrive in Peking, it comes as something of s surprise to discover that the masses are as nothing compared with the crowds in Calcutta. Lots and lots and lots of cyclists, of course, all pedalling with depressing and uniform slowness, and so numerous that the cars mostly drive in the middle of the road, hooting continuously. But not the *enormous* numbers of people, nor the dirt, nor the abject poverty, nor the unmistakable signs of malnutrition that one is likely to see in India. Downtown Shanghai comes closer to expectations: the people on the maio shopping streets are so numerous that many have to walk in the road, and to get into some of the clothing shops you need both elbows. But wheo you remember this is a country of 1bn, you still wonder where they put them all.

I got an inkling of the answer when I looked down from the jet flying south west from Peking. The ground is patterned so thickly with villages, one after the other, that you hegin to wonder, not where they put the people, but how they feed them, especially when you recall that two-thirds of the conntry is either mountainons or otherwise impossible to cultivate. After this, you cease to be surprised that every inch of useable land, even (as I later discovered) on the most precipitous hillsidea running sheer down to the Yangste River, is cultivated to within an incb of its life. As you come in to land at Chungking you wonder at the shimmering beauty of the crescent-shsped fields below, on what looks like flat land: only when you get lower do you realise that the shimmer comes from water, that these are rice paddies, that the ground is not quite level, and that the crescent-shaped fields are there solely to hold the water in shallow terracing.

* * *

The mschine-gun rapidity with which an experienced cashier rattles the totals on his abacus is deeply impressive. But my amazemeot at the digital skill displayed was somewhat shaken when I saw a shop assistant using her abacus to culcuate the change from a 10-yuan note for a bill totalling 9 yuan 60 fen. I heard a story in China of a westerner who challenged the accuracy of a cashier's abacus calculations, and proved his poiot by writing down the figures on a piece of paper and adding them up. "How," ha was asked, "does your writing machine get the answer right when my abacus gets it wrong?" Almost certainly apocryphal, fabricated to undermine the reputation of China as the oldest and most sopbisticated civilisation on earth.

* * *

"For the first time in four years in China," said a western diplomat, "I am heing treated by the Chinese the way they treat each other. They lie, they cheat, and they break contracts. It's the combined result of the Cultural Revolution and the new policy of decentralisation. Unqualified and inexperienced people are now negotiating with the outside world."

* * *

In Chinese Communist history, Cbungking represents an important turnlng point in the struggle against the nationalists, and the Red Crag Commune, where the late Premier Chou Enlai had his headquarters during the war years, was reverentially exhibited. But for me, the connotations of the town are associated with a schoolboy thriller called Escape from Chungking, and it entirely lived up to my expectations of a strange central Asian city, with more than a hint of quasi-Tibetan monasteries clustered on the hillsides. I no longer remember who wanted to escape from Chungking or why, though in those turhulent years no doubt many did. Yet my childhood images of mystery and menace were counterpointed with the sense that this was the most cheerful of the cities I visited in China. I do not know whether this is so because the province of Sichuan is traditiooally rich and fertile, because It is one of the first to taste the excitements of the new economic liberalism, or because it is a very long way from the political shadow-boxing of Peking and Shanghai.

* * *

On a 12-day trip round China which is mainly devoted to scenic sights and historic sites, it is difficult to know whether one should be dazzled hy the recrudescence, under the present post-Maoist regime, of respect for China's incredihle history, or irritated that one is being shielded from the grittier present-day reality of foot-aching traipses round factories. Yet even the tourism is part of today's reality in China.

Every major tonrist site I saw was thronged, not merely with foreigners taking advaotage of the new liberalism, but with ordinary Chinese sent, I was told, by their units on spring recreational visits. Seldom have I seen so many people carrying so many cameras (apart from the egregiona Japanese), and for those wbo bad no camera of their own, there were (apparently free-lance) cameramen under umbrellas ready, for a fee, to take pictures of them posed against a background of temples, pools, pagodas or (in Peking) the mausoleum of Mao Tsetung. More striking still were the Chinese girls photographing each other on the lawns in simpering, quasi-erotic pre-Raphaelite poses under umbrellas doing service as sunshades.

* * *

If you go on an official trip to China, do not expect spontaneity and frankness. Politeness, efficiency, eveo goodwill, certainly. But robust and unpredictable characteristics are, it would seem, weeded out long before sny contact with fearful foreigners. Some officials would prefer to talk palpable nonsense rather than get involved in sensitive issues.

We were iunching — actually it was a deiicions 12-course banquet — in a government guest-house beside a delightful lake as the sun at last began to peer through the ever-present clonds. What were unmistakably fighter aircraft screamed low overhead, and I asked my Chinese neighbonr what kind of fighters they might be. "I did not hear them," he replied, brazenly, "but they were certainly civilian." I remained silent, wondering which of us was the greater fool.

Fortunately, the two fighters swooped past again, this time in full view of the dining room windows. My neighbour now agreed not merely that they were indeed fighters, but that they were MiG 23s. Yet I was not convinced that he had any more idea what a MiG 23 looked like than I did.

* * *

It is a rare privilege for foreigners to travel down the Yangtse River, and it is impossible not to be intoxicated by the romanticism of Chungking as one slips and slithers io the rain down the endless terracing of the steps which lead, at the pointed confluence of the Yangtse and the Jialing rivers, to the ferry-boat landing stage. Only after one has stared at all the ships in Chungking harbour, and seen all the other farry boats coming upstream and going down, does one grasp the obvious, that the Yangtse is one of China's major arterial communications routes.

Under Communism, the Chinese have reduced class differences. On the Yangtse ferry-boat, there are only four classes; 2nd, 3rd, 4th and 5th; 1st has been abolisbed. It's no more ridiculous, I snppose, thsn the old days on British Railways, when we had 1st and 3rd, but no 2nd class.

We were chugging down tha river just at the time the Peking leadership was celebrating the posthumous rehabilitation of Lin Shaoqi, an event widely regarded as another blow against the doctrines of Mao Tsetung. The Government officials accompanying us stood in sepulchral silence listening to the speech of Vice Premier Deng Xiaoping broadcast over the ship'a londspeakers; hut as I peered over the rail, I could see that the lower orders in classes 3 to 5, including soldiers in uniform, were paying not a blind bit of attention to the momentous events in the capital. I hsd been told that the young were deeply disillusioned with politics since the suppression of Democracy Wall a year ago; perhaps not only the young.

I don't know how you run a country of 1bn people; probably by not giving them much choice, for a start. One local information officer explained the system to me: "We don't choose our educational specialisation; the authorities select us for education. Then we can express a preference for the educational institution we want to go to. We do not choose a job; we are assigned to a job, and should we object, the authorities will decide if our objection is reasonable." Another official told me: "We do not have your sort of unemployment; we just have young people awaiting assignment to a job." It sounds inhuman and authoritarian, but perhaps it is not really such a bad system. It all depends on the values end qualities of the people who represent "the authorities."

The Cultural Revolution's most delightful contribution to the gaiety of nations was the "popular" song "The Nightsoil Carriers Are Coming Down the Mountain." By contrast, the current regime's slogan, daubed on commune walls, "Wholeheartedly implement the structural readjustment of the national economy," seems to lack sparkle, but perhaps it comes off better in the original.

Ireland's appeal to the touring visitor is at once obvious but indefinable as a visit to the West shows

Soft days in Clare

MY FIRST fairly hilarious introduction to Ireland came aboot eight years ago when, spending a long week-end at Feakle in Co. Clare, I sampled tbe pleasures nf sophistico-peasant Irish life under the Rent-an-Irish-Cottage scheme. It has since gone from strength to strength and, returning there earlier this month, I was delighted to meet up once again with the same lady who had looked after us on that earlier visit.

If you are planning a family holiday In Co. Clare, the cottages at Ballyvaughan, north of the Burren and pleasantly close to the sea, make an ideal choice. However, there are other excellent permutations and, after flying out to Shannon and picking up a hire car there to try out one variation of Aer Lingus's Freeway Motoring Plan, I quickly covered the short distance to Ennis, the county town. I stayed at the long-established and very comfortable Old Ground Hotel (Trusthouse Forte) where the warmth of the creeper-clad facade was matched by a log fire in the hall and the welcome of the staff.

Ennis is a good hase for days spent in leisurely touring. There is just no need to indulge in a round of frantic sightseeing, giving yourself the sort of schedule which does not fit in with the leisurely tempo of Irish life. I experienced more close encounters with local wandering cattle than with fellow motorists.

There is an impressive ruined abbey down by the River Fergus (key from the police station) and should you over-indulge in shellfisb or imbibe too much of the dark stuff, Buglers Medical Hall in O'Connell Street will "compound [illegible] prescriptions accurately"!

While Clare has little of the rugged grandeur of Connemara nor the dramatic mountain panoramas of Cork and Kerry, its crowning glory is that strange wasteland, the Burren, which stretches north from Kilfenora with, on the western extremity, the crenallated Cliffs of Moher running down towards Hags Head.

As an introduction to this strange area, a kind of lunar landscspe dramatically grafted on to the predominantly gentle Irish countryside, a visit to the Burren Display Centre at Kilfenora explains the unique geological character of the terrain. A live commentary supplements a visual display on a model of both arctic and alpine plants growing in the rock crevices.

The rivers here run underground and gentians, mountain avens and orchids grow happily side by side in a wilderness where few trees find a foothold and when the pine marten, the kestrel and the sparrowhawk have their habitat. Among the few monuments are dolmens dating hack to 2500 BC in this strangely fascinating place where human bistory ran out some 500 years ago.

In Ireland, they would bave you believe, It never rains but a fair succession of "soft" days paints the landscape with those distinctive colours. Here the gorse and huttercups are yellower, wild Iris grow in profusion and, as the showers die [illegible] the returning sun bathes [illegible] in brilliant blne and [illegible] the spectrum of the [illegible] greens of pasture and [illegible].

After driving across the Burren and climbing up the twisting hairpins of Corkscrew Hill, I went on for lunch to the Aberdeen Arms at Lahincb where the Vaughan family serve up some of the best sea food to be found along the coast. I also learnt from Michael Vaugban that there really is a Doctor Bugler in Ennis!

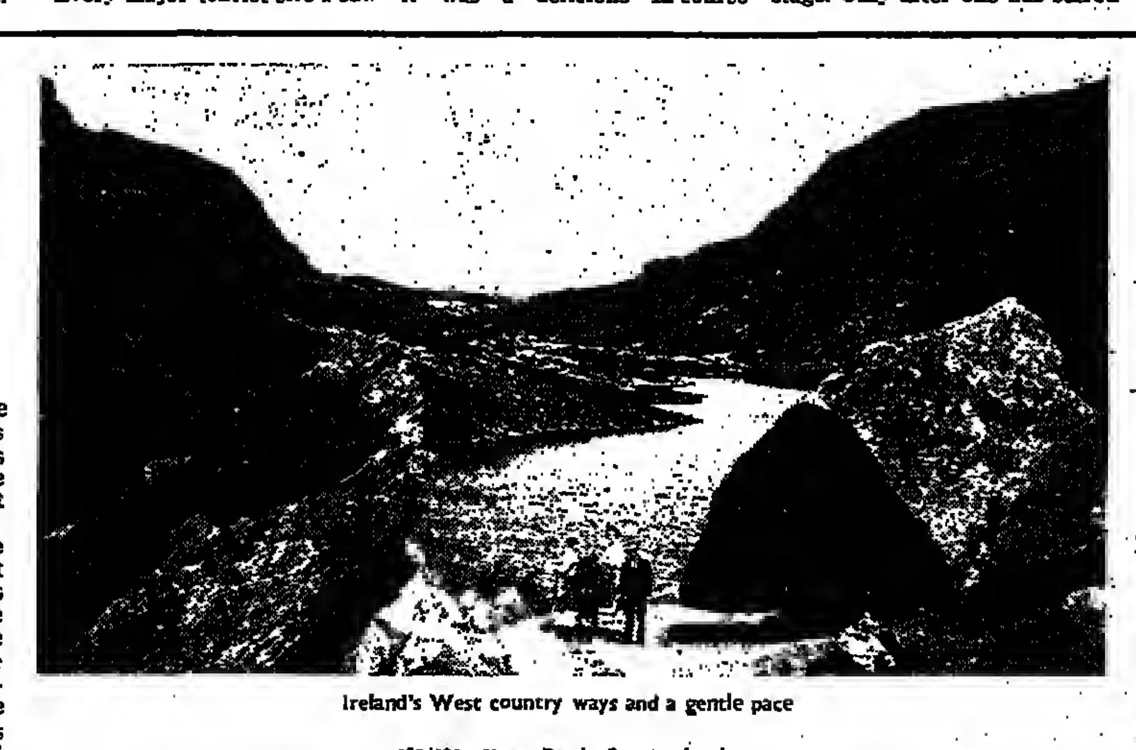
Lahinch, like the other small resorts along the coaat, is a simple and unpretentioua family place with a new promenade, splendid expsnses of sandy beach and, most Important of all with children, a heated outdoor swimming pool and sn indoor leisure centre with a full entertainment programme. It oow also has sn 18-hole parkland course, considerably less taxing, to complement the 18-hole championship course.

If you are looking for an activity holiday, riding Is easily available as is pony trekking and, as you drive along the hyways, there are more signs to places where you can fish than to the scattered rural bamlets. The Irish Tonrist Board has some excellent literature about all the different types of fishing.

Gaelic Time features the botel in its own series of independent motoring holidays which include, as in the parent company's Time Off concept, a wide choice of routes, departure dates and lengths of stay in accommodation ranging through from the excellent Irish farmhouses to luxury castles.

ADDRESSES: Aer Lingus Holidays, 52 Poland Street, London W.1: Comma-cruisers Ltd, Lakeside Marina, Killaloe, Co. Clare, Ireland: Gaelic Time, Time Off, 2a Chester Close, Chester Street, London SW1X 7BQ: Irish Tourist Board, 150/151 New Bond Street, London W1Y 0AQ: Rent-an-Irish-Cottage, Shannon International Airport, Co. Clare, Uxbridge Road, London W5 5SL.

PAUL MARTIN



Ireland's West country ways and a gentle pace

Views of Kerry

THE CITY of Cork may well be the most perfect entry point to Ireland. Is it the prettiest place in the Republic? No, it certainly is not. Does it boast grandeur and spectacle? Well, to be bonest, it would take a view through very rosy spectacles to say that it did. Is it therefore a place of charming by-ways and fascinating corners? Probably not.

Tbe truth is that Cork Is a very Irish city. Its cultural pretensions have to hattle with the earthy realities of an area where earning a living is difficult enough. Cork is a city with soil under its finger nails and a joke in its beart. The attractions of Cork are not immediately flaunted but they are infectious.

The Arbutus Lodge, perched on a hill in a corner of Cork gentility, is reckoned to be one of the best restaurants in the Britisb Isles by the Consumers' Association, and certainly the best in all Ireland. But it too demonstrates the Irish conundrum. The stark unforgiving squareness of the bar-room is in alarming contrast to the Georgian elegance of the dining room itself. And when I tried the silky smooth suhtlety of Arhutus Lodge drisbeen (a white sausage) it proved to be sitting on a slice of what looked remarkahly like Sunblest cut loaf.

Above all, Cork is a starting point: a city of Irish habits, Irish faces and Irish eagerness to see that the visitor enjoya the country.

For me the real pleasure of Ireland lies not in its larger communities, hut in the villages and countryside. Above all it is the pleasure of those endless areas where the green of the Irisb farmland tumbles into the grey vastness of the Atlantic Ocean. Can there be any doubt that It is in the Cork and Kerry areas of the far south-west that this meeting takes place under the most spectacular circumstances.

Just south of Cork itself lies Kinsale, a pretty port of manageable size. Avoid high summer weekends In Kinsale, which can be a bit hectic. At other times of the year it is relaxed, easy going and a pleasant base for good food and just watching the Irish world go by. Actons Hotel (THF) is the biggest In town, hut even that bas only 59 rooms, and bed and breakfast there will cost around £28 for two in high season this year.

Inevitably most visitors head west from Kinsale. The temptation is to dash off down every finger of land that pokes out into the ocean. Once through Skibbereen and having reached Ballydehob it takes considerable strength of will to head north for Bantry and avoid the temptations of the road to the Mizen Head and the salty delights of Crookhaven. Given time, of course, the temptation is not resisted, but for most of us a tour becomes a tussle between a desire to see everything and an ever reducing amount of time.

And ao, with rsther less concern than the by-passing of Crookhsven, the eager tourer drives through Bantry and heads for the famed ring of Kerry. It is, however, worth turning aside briefly to venture into the Caha Mountains where, after a coastal drive, you climb high along a narrow hill road and pass quickly from a view of Bantry Bay to the spectacle of the Kenmare River and the landscape of Kerry across to the beights of Macgillycuddy's Reeks. Down yon drive to the riverside and wind back to Kenmare and the beginning of the ring itself.

The ring is not something to beetle round at great pace. It is road for stopping, leaning, eating, drinking, watching and admiring. It is for this that you have hoarded time at the expense of other places. The views are remarkable and the people have the time of day to chat about the scenery, the weather, and the world and its problems.

There are several small hotels and guest houses in the area, or you can choose to stay in Killarney, a pleasant enough conntry town. The outskirts of Killarney, an area where the mountains and the farmlands merge into a magic land of lakes, mists, rolling hills and ambling cattle, has particular attractions for gentle walking.

The deep Incision made into the countryside by the River Shannon to the north has tended to force the population inland and concentrste them around Cork and Limerick. The result is thst beyond Killarney, np to Tralee and along the Dingle Peninsnla, around Listowel and out to Kerry head, Ireland, never a jam-packed country, is at its rural best. It may not have the lush depth of Galway, and is certainly not as ruggedly forbidding as Clare's Burren, hnt it is a contended blend of ordered farmlands and natural landscape.

ARTHUR SANDLES

Climax to a momentous career

GOLF

BEN WRIGHT

UNTIL ONE ARRIVED here in Montreal for the Canadian Open this weekend the subject of cooversation among all sportsmen in the New York area week-long had been Jack Nicklau'a astonisbing victory last Sunday eveoing in the U.S. Open Championship. Nicklau'a finest hour was also instrumental in bringing to the public gaze here the extraordinary Japanese golfer Isao Aoki. But here all the talk if of the fight at the Olympic Stsdium this evening between Sugar Ray Leonard and Roberto Duran, aod the fact that, desplte all the ballyhoo, 42,000 tickets remain unsold this morning.

But back to the more savoury subject of Nicklaus. I have been privileged to watch most of his major triumphs, both as an amateur and in his extraordinary professional career spanning 18 glorious years. But nothing was more moving thsn his performance of last Sunday, io that it was so much more from the heart than from the head that has served him so well over this extremely long career.

I first saw Nicklaus wben he was an 18-year-old prodigy playing in the Walker Cup Match at Muirfield, to which course he will return next month in an attempt to win his fourth Open Championship on the course where he first triumphed in 1966. It was impossible not to take an instant dislika to the hulky native of Columbus, Ohio, on that occasion in the cold mists of May. Wherever one went the high pitched voice of Nicklaus could be heard complaining hoth about the quality of the food obtainahle and the heating of both the hotel rooms and the food that was unobtainable. Nicklaus and his foursomes partner, a similarly chubby youth, Ward Wettlaufer, were brilliant in the match, but obnoxious in their general behaviour.

Wettlaufer has long since disappeared, and so has that terrihle image that Nicklaus first projected on the British public. It is a measure of his Intelligence that he has done so much to correct that image, and make himself an adored figure, who will surely be mobbed if he cao triumph at Muirfield next month.

One next aaw Nicklaus as a fledgling professional early in 1962 when the Piccadilly company were astute enough to import hlm for their Medal Tournament at Hillside, Southport. Alas, Nicklaus was destroyed hy the inclement weather, and did not even make the cup. In July of that year, when Arnold Palmer sncceessfully defended the Open Championship at Troon, Nicklaus created headlines only by running up double figures at one hole, the dangerous 11th.

Nicklaus sbed many tears last Sunday eveoiog and I found it surprising that several observers swore that this was the first time they bad seen this living legend moved in such a way. The gentlemen in question were not at Royal Lythan in July 1963 when Nicklsus threw away the Open Championship by hitting through both the 15th and 17th greens into impoasible spots before he had learned about the flow of adrenalin through one's system that makes the golf hall fly so much further in moments of crisis. On that occasion Nicklaus wept unashamedly on the shoulder of his splendid wife Barbara. During the champiooship I had Interviewed him for the second time, and it was a hilarious occaslon, since the interview took place in a small store room above the shop of professional Eddie Musty. Nicklaus bad thumped the small card table betweeo us in stating that his ooly ambition was to he: "Number ona, and only number one" until the table collapsed to his considerable embarrassment.

Io 1964 Nicklaus chased Tony Lema all the way in the Open Championship at St. Andrews, but unavailingly, and in 1965 at Royal Birkdale, ha pnt np perhaps his most disappointing performance in our premier event. As those who were there will remember the fairways were baked hrown and hard, aod the great Australian Peter Thomaon negotiated the golf course wltb canny precision and a three wood from the tee while the much vaunted Americans, including Nicklaus, blasted the hall through the angle of the dog legs into the fearsome willow scrub.

Nicklaus learned a precious lesson that week, and profited hy it the following year at Muirfield, when in the same heat-wave conditions he won the event for the first tioie by seosibly using his one iron for most of the tees.

In 1967 and 1968 Nicklaus was to play supporting roles, first to Roberto de Vicenzo at Hoylake aod then to his great friend and rival Gary Player at Carnoustie. On the former occaslon Nicklaus wept openly again at the thunderous ovation that was accorded to the magnificent Argentinian aa he came down the last fairway, while Nicklaus was waiting at green side to shake his hand.

A year later Nicklaus, having battled Player all the way down the finishlng stretch, first delighted the world's Press by volunteering an loterview that went on for hours, at a time when most losers are skulking away speechless.

In 1969 Nicklaus made possibly the greatest sporting geature io the modern golf era by giving then Open Champion Tony Jacklin a four foot pntt to ensure that the most momentous of all Ryder Cup matches ended in a 16-16 tie.

Nicklans won that memorahle play off, and thua thrust Doug Sanders into ohlivioo at St. Andrews in 1970, after the latter bad missed a putt of not mucb more than three feet to win at the 72nd bole. If this was a momeotous play-off, and Nicklaus was to show his relief at winning by a single shot hy throwing bis putter 50 feet into the air, then the dominance of Lee Trevino in the following two years followed hy Tom Weiskopf and Player in 1973 aod 1974 made ooe question whether Nicklaus was over the hill.

Jack Nicklaus

When Tom Watson beat Jack Newton in a play-off at Carnoustie in 1975, the question mark over Nicklaus's future hecame something of a fixture, and it was oot removed when Jobnny Miller won at Royal Blrkdale in 1976, with Nicklaus tying for second place with the teenager from Spain Seve Ballesteros.

Tbere followed in 1977 possibly the greatest "Matchplay" event ever to take place in the Opeo Championship as Watson and Nicklaus hrought sun-baked Tornberry to its knees in tbeir glorious shoot-out. But when Watson won it appeared that Nicklaus's era of supremacy had definitely come to an end.

So the suhsequent victory by the great man at St. Andrews in 1978 that produces the warmest ever welcome that I have heard given to a champion as he walks up the 18th fairway should have warned us of what Nicklaus was capahle, if he put a mind to it.

But even so, last weekend's triumph at Baltusrol was quite exceptional. Nicklans had struggled ever since July 1978 unavailingly to recapture the form that made him a winner at St. Andrew's and in Philadelphia the following week. I was not alone in thinking that he would never win another major championship. This last triumph was obviously the most satisfying of his 18 major championship victories. My producer-director here in Mootreal this week for the CBS TV network phooed Nicklaus last Monday to coogratulate him on his latest and greatest victory. The great man had not got home until 4.30 a.m. that morning, but here he was, up again at 10 o'clock, and watchiog the tape recording of the last hour of his most famous victory.

Yesterday Nicklaus told me that it was terribly difficnlt to get "up" for this; the Canadian Open at lovely Royal Montreal. But having told me tbis he proceeded to go out and play quite superbly nntil he came to the 18th hole, a tough dog leg to the left, a par 4 around the lake. Just when a sub-par score appeared a certainty Nicklaus showed his emotional fatigue hy hittiog a crazy drive into the water to take 6 shots and finish on 71, still only 5 sbots behind the leader.

Fingal's Cave

RACING

DOMINIC WIGAN

THE CHURCHILL Stakes is almost invariably won hy a well aupported animal and I am looking to Fingal's Cave to maintain the pattern in this afternoon's seven runner renewal of the mile and a half event.

One of the two most lightly raced memhers of the field this bay colt by Ragstone out of Blue Echoes, for whom he is a first foal, has had just two races to date.

A promising fourth when a weak 16 to 1 chance for a valuahla event at Lingfield In the autumn, Fingal's Cave showed that a race auch as today's is well within hia compass when accounting for sll hnt Running Mill in the nine furlongs heath stakes at Newmarket'a Craven meeting.

Many astute race watehers considered him unlucky not to be awsrded that race for there is no donbt that be was carried off to tha right as the winner came off a true line under pressure a furlong out.

Although Fingal's Cave ia out of the Mountain Call mare, Blue Echoes, who was a sprinter clear and simple, it seems that he bas inherited plenty of stamina from his sire, a Gold Cup winner. That should staod him in good stead here in a race which is unlikely to produce a fierce early pace.

Dick Hern and Willie Carson lifted the Fortnum and Mason Stakes a year ago through Dare Me and there is a good deal of confidence at West Ilsley that Mother Earth can do the trick for them this time. The Jukebox filly seems likely to go well but with 9 st 4 lb in the saddle I shall be a little surprised if sha does not find one or two proving her master at the weights. A hetter bet looks to be Tony Hide's Over The Rainbow.

A smart performer last year when his first season efforts included a victory in Ripon's Horn Blower Stakes, this chunky son of Song did well to run Sparkling Boy to a length in Sandown's Esher Place Handicap receotly.

On 11 lb better terms today, Hide's runner should easily turn the tables oo his conqueror. Looking to racing further north Dragon's Head should give his backers a good run in the handicap at Redcar while I anticipate Syncopate foiling Loch Ranza'a bid for a ninth success at Ayr.

ASCOT

2.00—Yellow Jersey
2.30—Pellegrini
3.00—Over The Rainbow**
3.35—Fingal's Cave*

AYR

1.30—Joint Command
2.00—Be Sharp
2.30—Fine Point
3.00—Syncopate
3.30—Into Action
4.00—Sam Carmedy

REDCAR

2.15—Kindred
2.50—Dragon's Head***

PROPERTY

Riviera refuge

BY JUNE FIELD

ON THE coast road eight miles from Cannes among the lavender and mimosa, a simple but appropriate blue and white sign in three languages headed Theoule, reads in its English version: "This Being One Of The Beauty Spots Of The World —Please requested to respect."

The other week-end when I went to the unspoilt Mediterranean village away from the turmoil that is Nice, they were getting ready for the season—cleaning the seaweed from the beach outside the restaurant Marco Polo, and washing down the terraces of the small hotel Le Jules César.

While at the "Villa Service" office next door they were preparing for the arrival of clients for whom they operate a *Contrat d'Entretien* — which covers opening up the house, checking the water and electricity, etc., buying provisions, and so on.

Driving a little further round the next cove among the red Esterel rocks I came to the 60-acre Cité Marine de Port La Galère, where much the same operation was in progress. Along the little harbour which takes 180 craft up to 40 ft long, the boutiques and bistros (this year franchised for the first time by Pierre Cardin, the Paris couturier), were getting a face-lift, and debris was being syphoned off the two swimming pools.

Port Galère is the elegant and unusual complex promoted by John Arthur and Tiffen of Paris, and conceived by architect Jacques Couelle, creator of Sardinia's Costa Smeralda. Nearly a decade ago Design magazine appropriately called it "Gaudi-next-the-sea," because of its organic sculptured architecture.

The last few houses and apartments being built on the rocks overlooking the harbour and sea at Port La Galère, on the Côte d'Azur, are for sale from 1.200.000 F. Brochure M. Edouard Capra, Bureau de Ventes, Pointe de la Galère, Théoule (R.N.98) Alpes-Maritimes.

The clusters of pink, Provençal-tiled dwellings built partly into the rock among pines and eucalyptus trees, approached through flower-filled streets along narrow pathways, were described as "built for those who can afford £15,000 for the smallest apartment!"

Now the last phase of the 416-unit development with its special security service, club-hotel, two tennis courts, etc., is nearly completed; and less than 15 of the 2/4-bed, 2-bathroom, good-sized individually designed terraced houses and apartments are for sale from about £120,000.

Expensive yes, but those who buy there don't consider it too much to pay for what is rightly called "a refuge from traffic, crowds and agitation."

Go now, and see if you don't agree that you can practically scoop up the ambiance with a spoon; it is 1 hour, 45 minutes flight, Heathrow to Nice, and half-hour's drive along the autoroute. Brochure from M. Edouard Capra, Bureau de Ventes, Pointe de la Galère, Theoule (R.N. 98), Alpes-Maritimes (90.30.48), who may be able to organise a stay at the Club de Port La Galère, where the food is excellent, and the local wine, *Estandon rouge* (24 francs a bottle) something to savour.

Shopping around

WITH AT least one estate agent going into business as a property shop (where the seller pays for any promotion involved whether a place is sold or not), and the services of such "shops" extending to provide more traditional selling aids, the gap between the two methods of selling a home could be said to be narrowing.

This week a chartered surveyor actually published a guide on how to do the whole thing yourself without using the profession at all.

The author of the book, *Housemate — a step-by-step guide to selling your home*, is Mr. Christopher Dobson, managing director of the old established Cosway Estate Agents in north-west London. He contends that he is merely foreseeing a trend, where, with money tight and so much property on the market, "enlightened estate agents must therefore welcome the Housemate concept as a necessary professional step."

Mr. Dobson deals with such pertinent points as whether to buy or sell first, deciding on the price of your property, and what to say when someone makes you an offer, passing on some of the ploys of professional negotiation.

One of the principal attractions of the publication is the simple, basic presentation, which makes it easy to follow, and the colour-coding for quick reference. To get a copy, send £12.50 plus £1 postage to Mr. Dobson, Housemate, 135 Broadway, London NW7.

Equally readable is the *Which? Way to Buy, Sell and Move House*, £4.95, just published by the Consumers' Association, 14 Buckingham Street, London WC2.

Two young Kent accountants, Mr. Christopher Stoker and Mr. John Blanchard, have produced two comprehensive "Home Match" portfolios, *The Complete Home Buyers' Kit*, and *The Complete Home Sellers' Kit*, which tell you what you need to know in profuse detail; both are in loose-sheet form in a plastic wallet and up-dated by a quarterly newsletter. The kits cost £4 each from Home Match, Freepost (Kent) Ltd., Maidstone, Kent, ME18 0BR, plus £1.50 subscription for the newsletter.

The first customer of The Property Shop, 136 Station Road, Edgware (01-951 0595), is claimed coyly as "a West End estate agent," and their tally since they opened three months ago is two completions, three exchange of contracts and six-eight "under offers." Their service costs £10 a week, minimum four weeks, half-price after that.

Mr. Farzad, who runs the Surrey Property Register, 6-7 Lampdale Road, Guildford (0483 39005), says he has distributed 100,000 application forms, and have changed charges to £25 non-refundable registration fee, with £25 due on the sale of a property through them, with no charge to buyers. The current circular includes 2-bedroom terraced houses in Godalming from £23,500, 3-bedroom semi-detached properties in Woking from £26,250, and a period cottage overlooking Shalford Common, £38,500.

Mr. Anthony Pearce, who runs the computer selling service Homeline, has extended his *à la carte* services to include valuations for sellers from £15, with structural surveys for buyers from £50. Showing prospective buyers over a property costs £10 a visit, but there is no charge for negotiating between seller and buyer.

For a copy of "the menu" contact Mr. Pearce on 01-221 3838, or write 71 Duke Street, London W1. The service covers homes in the Greater London area and Oxford, with a Reading office opening next month.

The proper care of fruit

GARDENING

ARTHUR HELLYER

THERE SEEMS to have been a good set of fruit in most places and certainly that is true of my own garden in Sussex. Dry soil, and in particular low reserves of water in the subsoil, are creating some problems. With apples and pears carrying a lot of small fruits it will be necessary to decide very soon how much can be allowed to remain to ripen and how much should be removed to give the fruits that are retained a chance to reach a reasonable size and the trees themselves to make adequate new growth as well as fruit buds for next year's crop.

The five or six weeks after midsummer are always a testing time for top fruits and never more so than when the soil is rather dry and therefore unable to provide as much food as is desirable. In small gardens it may be possible to make good the deficiencies by watering, possibly supplemented by extra feeding though whether this is desirable must depend on the state of growth of the trees themselves. If they are making plenty of new growth and carrying a good weight of foliage it will probably be unwise to feed as too much growth can be as harmful as too little. But if, as seems more likely, growth is short and sparse and leaves undersized a good general garden fertiliser scattered lightly over the surface and well watered in could make all the difference to this year's crop and next year's performance.

This is also the time of year when diseases can become really troublesome. I think there is a fair amount of gooseberry mildew about, which is not surprising for a combination of dry soil and moist air is what best suits mildews of all kinds. Scab may also be expected on apples and pears, the first signs being dark patches on the leaves. These can spread rapidly and become black as well as infecting the fruits themselves and spoiling their appearance with black spots which can spread and develop into cracks later on.

So important is it to prevent scab from attacking apples and pears that are to be marketed that commercial growers carry out very extensive spray programmes which may involve as many as 15 or 16 treatments per season. Unless they are exhibitors, most home gardeners will probably prefer to have some spotted fruits than to go to so much trouble and expense, but two or three sprayings may seem reasonable and one of them should certainly be given now. Benomyl, either alone or in combination with triforine, is as good as anything, is freely available and is also useful in checking mildews.

Summer pruning, if to be done at all, must also start in the next week or so. It is most useful for trained trees, and that, of course, means a great many of the trees grown in small gardens in which space is at a premium and trained trees can be fitted in conveniently against walls and fences or beside paths.

There are two quite different kinds of summer pruning and which should be used depends on the age of the wood on which the fruit trees produce their flowers, and consequently their fruits. Apples, pears, plums and sweet cherries, also gooseberries and red and white currants, all start to bear on second-year growth but continue to do so on very much older branches provided they are in good condition. On young stems the flower buds are produced singly but on older ones they gradually multiply to form clusters known as spurs.

With these fruits summer pruning is intended to hasten the production of these spurs and to keep them as compact as possible. Methods differ in detail but the general principle is to shorten all young stems quite a lot just as they come to the end of their first flush of growth, which will be some time in July or early August. A very reasonable rule-of-thumb is to shorten each stem to four or five leaves but with some free spurring varieties grown on dwarfing rootstocks and fed carefully it is possible to cut back to two leaves and so make an even neater tree. The danger of overpruning, as of pruning too early, is that it will encourage secondary growth which will destroy the whole benefit of the operation.

By contrast Morello cherries, peaches, nectarines and black currants all fruit best on second-year growth and pruning is designed to get plenty of sturdy replacement growth each summer so that the fruiting stems can be cut out as soon as the crop has been gathered. It can help if unwanted or badly placed shoots are rubbed out or snipped off at an early stage, only those stems required for replacement being retained. This enables them to get a fair share of the nourishment available and can make all the difference to the crop the following year. Raspberries and cane fruits also bear on second year growth but make certain that they do so by allowing all the old canes to die once the crop has ripened. So in their case pruning can be delayed until the autumn when all old canes that have fruited are cut out at ground level.

MOTORING

The Audi Avant L5D. A large five-seat hatchback with a smooth and economical five-cylinder diesel engine

Diesel sense

BY STUART MARSHALL

LAST WEEK, I filled the tank of an Audi Avant diesel with Derv fuel costing £1.36 a gallon. At the same garage on a Hampshire main road four star petrol was £1.38p and I had seen it a mile or two away at £1.39p and £1.40p.

Twopence a gallon may not be much, but it is significant nevertheless. One of the main arguments against buying a diesel car in Britain has always been that, along with other alleged disadvantages, they ran on dearer fuel. Well, they don't any more.

The last Budget helped the diesel car's cause by levelling the excise duty on Derv with that on petrol. For a couple of years—since the Lib-Lab pact, in fact—Derv had been taxed 5p a gallon higher. Since the Budget there have been more increases in the price of petrol than one cares to think about. Derv has, of course, gone up too. But the dearer the gallon, the more you save by running a car that cuts fuel bills by at least 20-25 per cent and often by a great deal more.

As for the other disadvantages—higher initial price, less performance and more noise—I can only repeat what I have said in this column before; they are more apparent than real.

At first sight the price difference between the Audi Avant L5 diesel and the similarly equipped L5S petrol is £814 (£7,504 against £6,690) which seems excessive. But the diesel has power assisted steering, which is a £436 extra on the L5S, so the real differential is a much more reasonable £378.

If the 41 mpg I am currently getting from the Avant diesel is anything to go by (the L5S, similarly driven, would return around 28 mpg), then the fuel saving on the first 25,000 miles would more than cover the higher capital cost. That is at today's fuel prices. Further increases—not to mention a couple of trips through France and Italy, where gasoil is much cheaper than petrol—can only tilt the scales in the diesel's favour.

Performance is, of course, less urgent. The diesel Avant has a top speed of 93 mph compared with the petrol car's 110 mph. With only 70 horsepower instead of 115, it cannot match its acceleration, either. But diesel car owners get their kicks from cost cutting, not from winning traffic lights grand prix.

I am finding the Avant diesel's performance more than adequate. It cruises on the motorway so smoothly and quietly that keeping the speed below 70 mph demands concentration. The five-cylinder engine has so much more low speed torque than the diesel Golf's four-cylinder that the Avant pulls hard in third from little more than 20 mph. And top gear acceleration from 35-40 mph is punchy enough to make down-changes for overtaking rarely necessary.

It is noisy when it starts up in the morning and you would never doubt from its rich, chuckling tickover that it was a diesel. But at anything more than a traffic crawl there is hardly a clue that it is powered by a compression ignition, not spark ignition, engine. Despite its willingness to pull strongly and smoothly at low speeds, the Audi's five-cylinder diesel spins freely to a maximum of 5,000 rpm.

There is no delay in accelerator response; the clutch is light; the gearshift sweet. In short, it is as easy and undemanding a car to drive as the petrol-engined Avant.

I hope to cover several thousand miles in the Avant L5D in the coming weeks, including at least one trip in mainland Europe, and will report my experiences later. One thing I have discovered already is that it pays not to let the tank get too low when you are on unfamiliar ground. Last Friday evening, I drove nearly 20 miles, fuel gauge at zero, on the A27 before finding a filling station selling Derv.

Vintages

THE MORE THAN 200 vehicles in the National Motor Museum at Beaulieu range from merely valuable to literally priceless. Even so, Lord Montagu (who founded the museum nearly 30 years ago) believes they should be seen moving whenever possible.

They are entered in cavalcades and similar events. And, very sportingly, he even allows people like me to drive some of them now and again. It is enjoyable and amusing to get behind the horizontal steering wheel of a 1901 Progress or a 1903 De Dion and chuff sedately through the grounds of Beaulieu Abbey, mudwings flapping and brass lamps wobbling. But it makes you aware what stern stuff the motoring pioneers were made of. A mile or two in summer sunshine is one thing; a wintry journey on unmetalled roads must have been a daunting prospect.

By late Edwardian times, the gentry's motors came with full weather protection. Not so the World War I lorry. The 1917 Caldeon I drove had neither windscreen nor doors. If it rained, the unfortunate driver of this 15 mph flat out, solid-tyred machine got soaking wet.

For me, though, the star turn of this open day for members of the Guild of Motoring Writers was a few hundred yards acting as steersman of a 21-ton showman's steam road locomotive. (No, not the driver—he is kept busy with the throttle, brake and coal shovel.)

Until the 1940s, these leviathans hauled several trailers from fairground to fairground and generated electricity to drive the various rides. Then they started to be scrapped. The Burrell I steered was built in 1913 and changed hands after World War II for £30. A similar one was sold the other day for £32,000. That's what I call a good investment.

The National Motor Museum, Beaulieu, is in the New Forest, a 15-minute drive from Lyndhurst, on B3056.

MOTOR CARS

BOOKS

Odd Couple

BY C. P. SNOW

Holland House
by Leslie Mitchell. Duckworth. £18.00. 320 pages

If you waoder up Kensington High Street by the Commonwealth Institute and turn into the gardens of what was once Holland House. it is a little hard to remember that the building now housing a Youth Hostel was where every ambitious young Liberal politician or writer longed to be invited. Nowadays it dominates an agreeable park open to the public. Between 1796 and 1830 it was the greatest salon in England, with carriages charging up from London in the afternoon (the Hollands made their own rules and their dinners began at 5 p.m.. which was already early for their kind of London society). couriers riding in with news of the latest vote in Parliament. the large parties huddled. cosmooolitan and apparently seated almost at random.

The Hollands were an odd coupie. and one of their oddities was to make an unpredictably happy marriage. Lord Holland's grandfather bad made the family fortune aod acquired the title through successful speculation with army funds. The family fortune had almost been completely squandered by Lord Holland's father. On the face of it. the family had nothing like the stability or standing of the real Whig grandees. the Cavendishs. the Russells. Yet Lord Holland was. against the odds. regarded as a Whig grandee. He had one great advantage. He was the favourite and political heir of his uncle Charles James Fox. Unlike Fox, he wasn't much of a Parliamentary performer. He stammered. and didn't like public appearances. But he was an extremely intelligent man. and a very nice one to some extent underrated by his contemporaries. He was very good on paper and a convincing interpreter of Foxite doctrine. He probably did more than any single man to hold the Whigs together during their 40 years out of office. A week may he a long time in politics. Forty years is evan longer.

His wife was a good deal of a termagant, but despite appearances she was invaluable to him. She was a considerable heiress and, though Holland House was often embarrassed financially. her money saved the family finances. She had made a first marriage at 15 to a man nearly 50. This is somewbat myaterious. since it was he who was marrying for money, not the girl. She promptly produced three children and then proceeded to take a whole seriea of lovers. She was thought exceptionally beautiful, though probably we sbould call ber handsome. She hunted in couples with Lady Bessborough and they searched for desirable young men all over Europe. As she said herself, she didn't accept any moral regulations other than her own.

Then sne met Lord Holland. he being 24, she 26. and amid extreme social disapproval they made a match of it. produced a first child out of wedlock. married. and in a turhulent fashion lived happily ever after. It was thought by her contemporaries that she. by far the more assertive personality of the two. governed him completely. In little things this is prohahly true. In politics. which was bis one serious passion. he was the master. She promptly followed him and became a colleague in Fox-worship. Sbe was clever enough. bul realised that she had to leave the political thinking to her husband. while she took the showy and apparently influential part.

Hence the development of Holland House as a salon. Given enough money and energy. this was the best that they could do for a party out of office and likely to remain so for the foreseeable future. Dr. Mitcbell'a book is an account of their political campaigns, beliefs, and acbievements. The title is somewhat misleading. There isn't much about Holland House itself, which incidentally seems to have been remarkably uncomfortahle, nor abont the great dinner parties which passed into literary mythology. But there is a great deal, admirably professional and fascinating for any student of politics, about the way in which they kept the high Whig ideology alive.

Their detractors said that they weren't interested in the detail of politics. Fox himself had nothing like the range of techniques of his rival and enemy. William Pitt. There is a good deal in that criticism, and it would he surprising if there were not, for a group so long out of power. Incidentally, they jeered at the Tories for being so anxious to keep office because they hadn't enough means to support themselves withont it. At this period it was the Whigs who were the party of the really rich.

It was natural. though, that Fox and the Hollands should concentrate on a clear statement of principle and doctrine. To this the Hollands adhered with quite remarkahle constancy. I could personally have done with much more of the eccentricities and personalities of the Holland House group and their protégés. They were devoted patrons of young politicians and. with their rather orthodox eighteenth century taste, determined supporters of young writers. not only among Whig gentry like themselves such as Byron. but middle class characters such as Macaulay and the Edinburgh Review critics, and even people from nowhere like Dickens, wbom they mnch admired and mnst have been the only people to find unohtrusive.

The Foxite doctrine was not democratic in any sense we should understand it. They all regarded universal suffrage as an absurdity. What they did object to was the power of the executive, meaning the Crown. They were aristocrats. but they bad the strongest distaste for monarcby wberever it occurred.

Lord Holland: a detail from the portrait in 1795 by F. Fabre

Tbey supported the Reform Bill mainly because they thought it would weaken the power of the Crown. On the other hand. their creed about race and rellgion would be entirely congenial to liberal-minded persons today. They struggled for over 20 years on hehalf of Catholic Emancipation, and weren't put off by opposition from monarchs or anyone else. This led them to a sane Irish policy which. if carried out. migbt have made for a more placid 19th century. They had much the same tolerance about race. Lady Holland's money came mostly from West Indian plantations. but they campaigned strenuously. and in the end effectively. for the abolition of the slave trade.

There was a great deal to he said for Holland House. and we have had nothing like it since. A considerahle amount of Holland's political criticism atrikes fresh today. And it would bave been pleasant to be there on a good night with Sydney Smith present. He was one of the wittiest of all Englishmen, and one of the best. Incidentally. he wasn't in the least afraid of Lady Holland.

Jay nibs

BY GEORGE MALCOLM THOMSON

Change and Fortune: A political record
by Douglas Jay. Hutchinson. £16. 515 pages

The first thing to note about Douglas Jay is that. "In spite of all temptations—To belong to other nations — He remains an Englishman." Not that the temptations were very strong. When Jay went to Brazil he took one look round, at the wealth and the poverty, and decided that England's three greetest gifts to the world were Shakespeare, Parliamentary Government and the Inland Revenue. I am not even sure that he would insist on keeping the three in that order of importance.

For, without an honest and efficient tax service we could not have the unspeakable blessings of the Welfare State. And the second important fact about Jay is that after all the ups and downs, after all the disillusionments he remains a convinced social democrat. He has not shaken off the austere excitement of those early days of the Attlee government when Ayatollah Cripps was Chancellor and he himself was a member of the Wykehamist Mafia, (Cripps, Gaitskell, Jay — and Crossman? No. Crossman was a Mafia all on his own) who did so much to set the moral tone and supply the mental energy of the administration.

For Cripps. with all his failings and errors of judgment. Jay retains a deep admiration. There he was. a Savonarola in the corridors of power, an iceberg looking for its Titanic. toiling while others slept—and killing bimself in the process.

But Cripps is not Jay's hero. that place being reserved for Hugh Gaitskell. whose premature death he monrns as an inexpressible tragedy and, for the nation, a catastrophe. Had he lived. he would have exerted a moral influence which the Labour Party has sorely lacked: he would have based his policy on upholding the influence of Britain and the Commonwealth which be believed we could lead: and he would have pursued those aims with a persistence like that of the Churchill government of 1940 and the Attlee government of 1945.

Believing this, it is not difficult to nnderstand how Jay wanted to quit politics when Gaitskell died and why he was often unhappy during the lifetime of the Labour governments that followed.

Now, looking back on 40 years of public life, he remembers the men, the measures, the problems and the hopes of a whole era of politics. He recalls Hugh Dalton booming Cabinet secrets in Joseph's resteurant in Greek Street—"a confidential whisper which echoes round the lobbies," said Attlee, who later accepted Dalton's resignation for one whisper too many—that which betrayed Budget secrets to John Carrell of The Star.

Of Cripps, whose disastrous habit it was to work all through the night and then carry on next day's work without a break, Jay recalls a story of Attlee's. A man called at No. 10 one morning at five o'clock saying that be had an appointment with the Chancellor. The policeman assumed him to be a lunatic until the caller insisted, "Sir Stafford Cripps asked me to come at this hour," whereupon the policeman replied "Oh, him! Please come in!"

Richard Crossman makes several appearances in the record and is remembered in the blistering aphorism of a Winchester contemporary: "Dick has every intellectual faculty known to man except the power of distinguishing between truth and falsehood."

Of the Common Market, it need not be said that Jay was and is an implacable enemy. No issue could have more skilfully united all the things he disliked against those that be liked: liberal laisez-faire economics; Tory desire to protect agriculture: foreigners versus national planning: high direct taxes, Britain. His guess of the extra burden on payments has turned out to be an under-estimate. Jay thinks, no donbt rightly, that his opposition to the Common Market was the real reason Harold Wilson dropped him from the Government in 1968.

At the end of the day he concludes his long, immensely detailed. and temperate review of e distinguished career by saying: "My allegiance has inclined ever more strongly with the years towards the kindlier virtues." Which is one reason why his final words are: "I can conceive of no better fortune. when the time comes to cultivate private rather than public aspirations, than to live. love. garden and die. deep in the Englisb country."

It is not a bad note on which to end a life, or an autobiography.

Golden boy

BY RACHEL BILLINGTON

Rupert Brooke: His Life and Legend
by John Lehmann. Weidenfeld and Nicolson. £7.95, 178 pages

Who had his most famous poem read out from the pulpit of St. Paul's and his obituary written by Winston Churchill? It is hardly surprising that Rupert Brooke became a legend when leaders of Church and State took him up so convincingly. The poem was, of course, "If I should die think only this of me . . ." The year 1915 and Brooke's death occurred during the disastrous Dardanelles campaign. Though despite all Churchill's brave words, he actually died before the fighting began—of sunstroke and blood-poisoning.

The legend, like all legends, lives long after the cause of it, the poetry and the personality, have been discredited. Poets such as Seigfried Sassoon who fought on to understand a truer picture of the war than Brooke, make his war sonnets seem superficial and even false. The growing stature of writers maturing after the war show how short a distance he had advanced along the road of literature.

John Lehmann has written his modest-sized biography in an attempt to make a final perspective between god and clay. The result is a most interesting study of a talented and beautiful young man. He quotes Virginia Woolf writing after Brooke's death, "It needed no special intimacy to guess that beneath 'an appearance almost of placidity' he was the most restless, complex and analytical of human heings." It is this difficult suffering young man that Mr. Lehmann discovers for us rather than the god-like figure, "purer, greater and nohler than ordinary men" whom his friend and patron Edward Marsh presented to the world."

Not that Mr. Lehmann denies his extraordinary personal beauty and charisma. Even such a cool spectator as Leonard Woolf described him as "stunning." Unsurprisingly, he was aware of the effect he had on people and admitted after a meeting with Henry James ". . . of course, I did the fresh, boyish stunt, and it was a great success." His performance while at Cambridge as the Attendant Spirit in *Comus* was obviously enough to have those with less physically glorious attributes fall at his feet.

Unfortunately for him, beauty, grace and intelligence have never been the passport to happiness. Nor even to success in a deep sense. His work suffered from too much golden posturing and the first important love of his life, Ka Cox, was more impressed, at least at first when he needed her most, by another brilliant youth, just as talented, nearly as good looking, the painter, Henry Lamb.

In 1912 when Rupert Brooke was 25, he had a severe nervous breakdown. This seems to have marked his character for ever, turning him, in unbalanced bitterness, against the intellectual life represented by the Bloomsbury group and towards Edward Marsh and the more fashionable, worldly society to which he introduced him. It was in this milieu that he met the actress Cathleen Nesbitt and fell in love with her. However, as far as one can gather, their relationship never reached the emotional depth of his with Ka Cox. Certainly they never slept together, whereas Ka Cox actually conceived his child, although it was still-born.

Brooke's relationship with women was usually unhappy, a strong puritan nature, probably encouraged by a dominating mother, in conflict with a more sensual side. Like many Englishmen, not just of his generation, he found it easier to break loose abroad. He went further than most by spending months in Tahiti with a native girl called Taata Mata.

In a sense war came to this complicated, often unhappy, no longer so young man as a solution to his problems. Now he could believe in something as pure as the ideals he wanted for himself. The poetry this emotion produced was not, as John Lehmann firmly tells us, his best. The list he compiles of sloppy clichéd generalisations makes his point only too well. Nevertheless, it has made hundreds of thousands shed a not unworthy tear since its publication.

John Lehmann feels that Brooke, if he had lived, might well have moved from poetry to prose. He quotes freely the descriptive passages from his American travel articles, noting the precise use of language and sharpness of wit—not so often present in his poetry. This is probably true; everything in this book has a sensible and convincing air, yet there may be romantics who will not regret the existence of a legend.

Fiction

Takeover times

BY MARTIN SEYMOUR-SMITH

Scars and Other Ceremonies
by Christopher Leach. Dent. £5.95. 154 pages

Runaway Horse
by Martin Walser. Translated from the German by Lena Vennewitz. Secker and Warburg. £5.50. 109 pages

Homelands
by John Wiles. Constable. £6.95, 233 pages

One Hot Summer in Kyoto
by John Haylock. London Magazine Editions. £5.95, 183 pages

Conviction
by Mark Daniel. Michael Joseph. £5.95, 255 pages

Christopher Leach, whose first novel *The Wheel* appeared a long time ago, has not really had his due—despite the respectful reviews he almost invariably obtains. Not usually in the dictionaries and directories of "important" writers, he is a good deal more rewarding than many who are, and who are better known and more talked about. His territory is essentially that part of existence which most choose to ignore: the bleak, fearful hinterland of the unconscious mind, the world of approaching death, the fantasies of childhood which persist into adult life and stay frighteningly there, in the hackground.

But he does not labour this. His style—aod ear for dialogue —are most professional, but without being slick or over-deft. The first tale in this collection cannot he said to be other than exquisitely told, with just the correct amount of restraint applied—that amonnt that brings tears to the eyes because we know that this is how it really is, rather than that the writer would like to move us.

Leach is often humorous and satirical; but one notes no desire to he fashionable (he is, for example, refreshingly restrained in his treatment of sex). These stories are among the most affecting and finely accomplished of recent years; and one must never forget the extreme difficulty of the form. I hope this volume gains the author the critical recognition he deserves; above all I recommend them as some of the best around.

Martin Walser, now fifty-three, is one of Germany's hest known and most popular serious writers. He is not profound, knows it, and does not try it on. But be is rightly prized for his gift of social satire and his genninely felt, robust humanitarianism. He is one of those writers who deserve to be on the hestseller lists (as be often is in his own country).

This novella is about a couple wbo always vacation lazily and happily at a resort on Lake Constance; but one year, the year of this novel, they are interrupted by another couple, with whom they have to associate, although the association is largely unwilling on their part—especially on that of Helmut's. who is the protagonist.

Martin Walser sets up his situation well: the man whose privacy is almost raped hy an over-enthusiastic and unwelcome acquaintance, bia uneasiness, his moment of strange, liberating terror on the Lake in a storm. The anthor'a irony is also successfully deployed. But there is aomething missing: it all seems to end in a pretentious cbange in Helmut. There is a lack of feeling, a lightness in the wrong place. Where Walser is unerring in social satire and in his comments on his country's economic "miracle," he is a little weak and perhaps over-clever when he is trying his hand at a psychological novel.

Homelands is an interesting and well-plotted story ahout political pressures, the theatre, and the struggle to survive io the world without compromising oneself as an artist. It concerns a successful theatrical director, balf German half South African, who finds himself in Düsseldorf putting on a play that he has discovered, and that bas already scored a big success for him in London.

The trouble is that the play's politics, while acceptahle in London, are hy no means so in Düsseldorf — especially since the theatre in which it is to be performed is state-sponsored. The crisis sickens him, and he wants to go home. But he does not know if home is Germany, whose past and present hold problems, or South Africa, whose present is obviously linked intimately with German political themes both old and new. Yet he is beld in Düsseldorf by the affection of the actors (and of one young girl in particular), and the desire to make the point the play—which he "discovered"—is making. The story itself is excitingly told, and the author obviously feels his subject so deeply that he haa forgotten the disastrous influence of Hemingway, which spoiled a conple of earlier novels. All in all, intelligent and thoughtfol entertainment, well worth attention.

John Haylock's novel *One Hot Summer in Kyoto* promises well. He knows Japan, since he teaches there. His story is set in Japan—and the theme is peculiarly Japanese. An Englishman, a teacher in Japan, is "running away" from his tyrannical English wife and from his possessive Japanese mistress: he forms a relationship with another Japanese woman. who seems to offer him something more than the others. He tries to escape yet again in the end—or he imagines that he does.

Haylock's plot could he perfectly treated, in just the right way — but he ruins it. giving us (I am sure unintentionally) an impression of a crude sex-mad Englishman wbo knows and understands nothing of the country in which he is living. There is much intrusive material, and the Japanese women are unconvincing. The hero can only be called a slob, witb his vulgar desires and selfishness. A brave try, but a bad failure.

Conviction is by Mark Daniel. who, we are told. ended an education at a public school and Cambridge University by a spell in prison (we are not, bowever, told wbat for). His novel is a foul-mouthed thriller, ingeniously plotted, on the lucubrated theme of a fascist-type takeover of Great Britain. But the manoer in which the fascists are to take over is, I must concede, highly original. Prison comes into the hook—quite a bit of it—and certainly justifiea the Home Secretary's recent remarks to the effect that these institutiona are at "flash-point." Some tedioua descriptions of sex-adventures apart (could not there be a rule that these are allowed only if they are actually stimulating?—thare would then be none of this type), this a decent début: we can expect some more readahle thrillers from this writer, who uses his knowledge of crooks to good advantage.

Probing 1979 voting patterns

BY MALCOLM RUTHERFORD

The British General Election of 1979
by David Butler and Dennia Kavanagh. Macmillan, £20.00. 443 pages

The British general election last year was in many ways a decisive victory for Mrs. Toatcher's Conservatives. The Tories achieved the higgest swing from one major party to another in any general election since 1945. Their majority in Parliament looks secnre against any conceivable amount of by-election reverses.

Yet there are other ways of looking at it. The Conservative majority might have been less, even non-existent, if Mr. Callaghan had gone to the country in 1978. The fact that he delayed can hardly be attributed to the wisdom of the Conservatives' strategy. For the Tories it was simply an accidental honus.

The Conservative victory was also notably regiooal. By and large, the north voted Labour and the South voted Tory in a more pronounced way than in previous post-war elections. The Liberal challenge did not die away. On the contrary, the Liberals recovered as the campaigning went on and can now claim a core vote of perbaps 15 per cent. Mrs. Thatcher won the election, but, as this book points out, she took office with a smaller share of the national vote than any Prime Minister enjoying a secure Parliamentary majority aince Bonar Law in 1922.

These are not carping points. The Tories may well have cause to reflect on them aa thia government progresses. Since 1959 no British government has won re-election at the end of a full term in office. Re-election has been assured only by going to the country at the right time. The then Mr. Harold Wilson got it right in 1966 and again in October 1974, but he appears to have heen wrong in 1970. Mr. Heath was wrong in February 1974.

The conclusion is that winning an election depends on making a correct judgment of puhlic opinion at a particular date. The advantage, of course, lies with the Govarnment which normally has the power to choose the day. But that in turn only stressea tha importance of bow pnblic opinion should be read.

In the last election, the Conservatives read it better and the Lahour Party scarcely at all. The most interesting sections in the book are ahont how tha Labour Party insiders ignored outside professional advice. Transport House waa told what were the most salient issues: for example, the sale of council houses. It waa alao told bow hest to advertise, hut the advice was turned down from the inside of the Lahour Party which distrusted public relations.

The Conservatives, hy contrast, are said to have taken up the issue of the sale of council houses as a result of puhlic opinion poll findings following the elections to the Greater London Council in 1967. As for advertising in the 1979 general election, Mr. Gordon Reece, publicity adviser to Mrs. Thatcher ia quoted as saying that the Daily Mirror and the Sun were the only audience that matters.

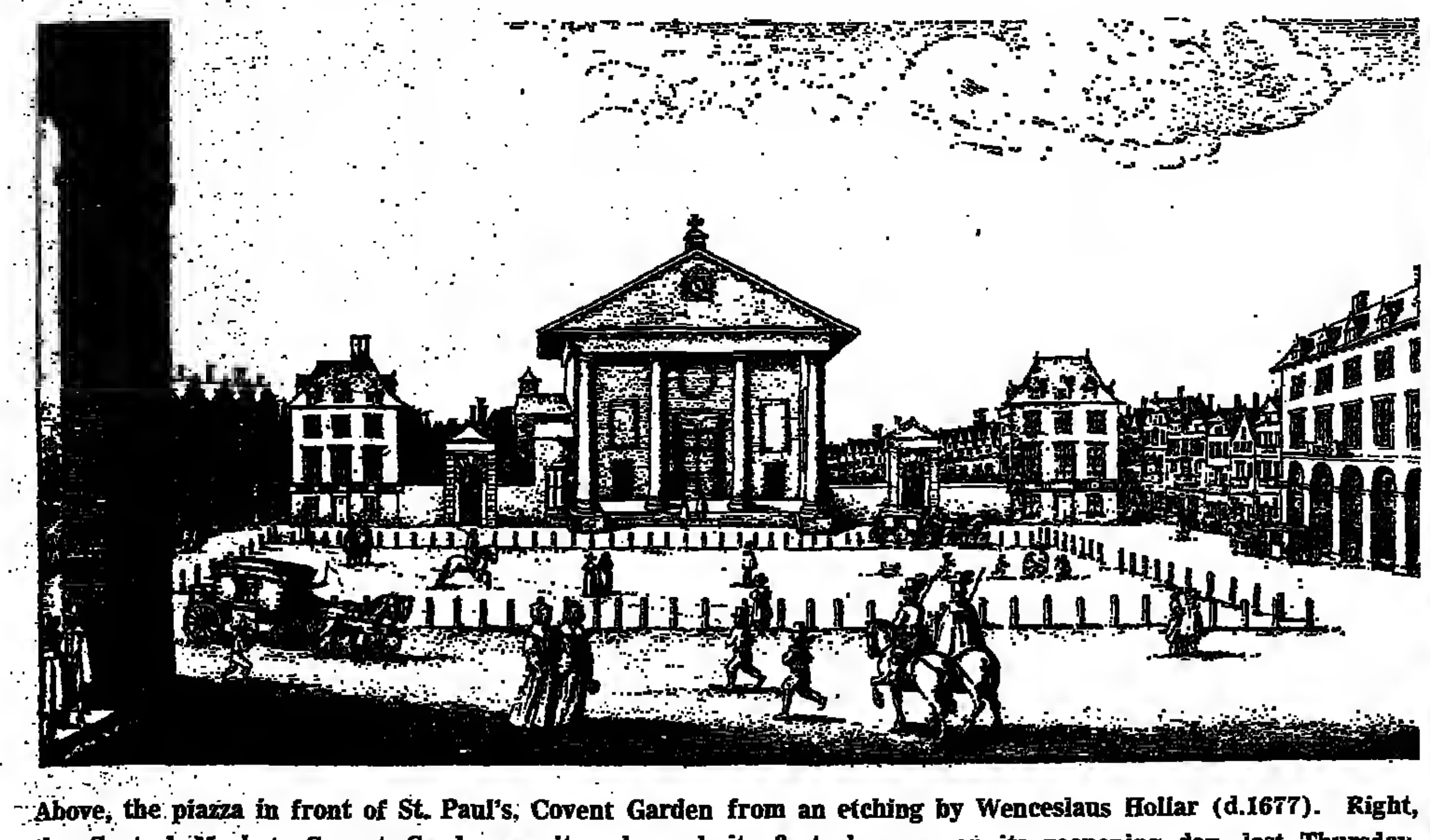
One could argue that the main difference hetween Tories and Labour in 1979 was that the Tories took too much account of puhlic opinion and Labour too little. Certainly the conclusion drawn hy the Labour left-wing, that the Wilson-Callaghan governments failed because they were insufficiently socialist, haa no support in the polls. Equally, however, the Tories risked looking overslick: all package and no policy.

The evidence of this study suggests that if Labour could have comhined the popularity of Mr. Callaghan with a better use of public opinion sampling to find out what the pnhlic wanted, the result might have heen very different. The Party has still not learned this lesson. It regards opinion polls with the greatest distaste.

Meanwhile these Nuffield studies of British elections grow longer with time. They do not necessarily grow any better.

HOW TO SPEND IT

by Lucia van der Post



Above, the piazza in front of St. Paul's, Covent Garden from an etching by Wenceslaus Hollar (d.1677). Right, the Central Market, Covent Garden as it welcomed its first shoppers on its reopening day, last Thursday.

Roger Taylor

EVERYTHING IN THE GARDEN'S BLOOMING

THIS WEEK I make no apologies for devoting most of the page to a small part of London. This is the week when the heart of Covent Garden is opened again to us all and anybody who has the smallest interest in our capital, in how to revive urban centres, in good food, in fine architecture, in happy shopping and ambling about, should make a point of visiting this area of London that is bounded by the Strand and Aldwych on one side, Kingsway on another, by St. Martin's Lane, Monmouth Street and High Holborn on the others.

Most people know something of the history behind Covent Garden. Once upon a time there was indeed a Convent Garden, a 40-acre walled plot cultivated by the Benedictines. It was later sold to John Russell, the first Earl of Bedford and the fourth Earl was responsible for asking Inigo Jones to design the Piazza and St. Paul's church in 1631. The Central Market building—designed by Charles Fowler—is of a later date (1830) and it is around this building, its restoration, its use, that controversy has raged since the last market trader moved out in November, 1974.

There are always those who will carp—and already some are saying that the shops in the market are too smart by half—but it seems to me that the new Covent Garden is going to be an amenity in the lives of all Londoners. To begin with it is an absolutely charming area just to be in—there are eating places varying from the smart and upstage Thomas de Quincey to the cheaper creperies and all-day brasseries like Peelers.

The happy atmosphere that surrounds places like Les Halles and the Pompidou Centre in Paris seems already to have to come to Covent Garden. Alternative Arts, which is supported by the Greater London Arts Association, is offering free lunchtime entertainment at St. Paul's Portico in the Central Market Piazza between 1 pm and 2 pm every day from Monday to Friday from June 23 to August 29.

At last Londoners will have a chance to experience the kind of shopping hours that the luckier citizens of places like Paris, Madrid and Rome have been used to for years—nearly all the shops will open at 10 am and stay open until 8 pm, six days a week.

Though the rest of the page concentrates on the new shops opening in the Central Market Building (some 47 of them, a splendid mixture of fashion, food, crafts and other specialist shops were chosen out of nearly a thousand applicants) the rest of Covent Garden still flourishes and here is a small list of some of the other places that should be visited if you take the trouble to go to Covent Garden.

Aram Designs of 3 Kean Street is one of the most restrained and elegant furniture and lighting showrooms in Britain. Co-Existence of 2 Conduit Buildings, Floral Street, is a marvellous eclectic mixture of things for house and home—from the latest and most modern furniture to embroidered pictures and antique pieces.

The Dance Centre at 12 Floral Street is where I try and keep fit and it is marvellous because you can just drop in whenever you find you're free—you don't have to book but you do have to become a member (£10 a year).

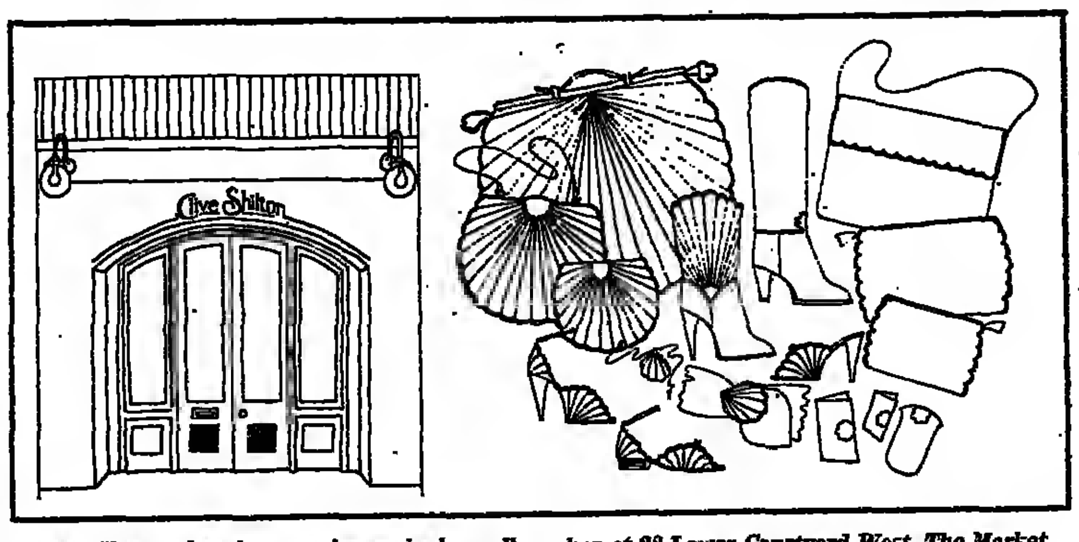
The Neal Street Shop, 29 Neal Street, has been going for years but is still one of the best sources of inexpensive, slightly exotic presents.

Frida in Longacre specialises in wonderfully colourful crafts from countries like Lesotho, Peru, Mexico—a marvellous selection of baskets as well as woven goods of all sorts.

Kite buffs should go along to The Kite Store, 69 Neal Street, and lovers of the jokey should go to Knutz at 1 Russell Street. Penhaligon's at 41 Wellington Street is one of the most beautiful perfumeries in the world and Bertram Rota at 30-31 Long Acre is one of the finest antiquarian book shops I know.

Wandering around the area you'll come upon new favourites of your own—that is the charm of the area, down every side street and alleyway is a new discovery to be made.

Anyone interested in the history of the market should go along to view the exhibition Covent Garden Market Old and New at the Museum of London, London Wall, EC2. And until July 16 you can catch a lunchtime lecture every Wednesday at the same place.



Clive Shilton has become increasingly well-known for his range of distinctive accessories—in a choice of 35 different colours, in softest Italian kidskin, suede, calfskin, satin or silk he makes imaginative belts, handbags (lovely shell-like ones for evening), shoes, gloves.

Besides the ready-made accessories he will also make to order and now, at his new shop at 28 Lower Courtyard West, The Market, he will be selling for the first time shoes for men (he describes them as "elegant and sexy") as well as leather belts, bags, brief-cases and other small leather items. There's also a collection of what he calls "functional" bags for men and women—weekend bags, shopping bags, and so on.

Many of the shops opening under the vaulted glass roofs of the newly restored Central Market Building are familiar names, though none of them are branches of big chain-stores. All the shops were carefully vetted; all could be said to be strong on "tastefulness" and low on tat. The combination offers an interesting mix to the tourist, casual visitor or regular shopper.

There are galleries, eating houses, shoe shops, a dairy, a newspaper shop, clothes shops, toys and natural cosmetics. Here is a list of some of the shops that will be worth visiting when next you come to the area.

L. Fern & Co. is an old specialist food shop, based in one of the smallest of the new units, which supplies the finest of coffees and teas.

Sandford Gallery is the place to go if you're interested in the current art scene and would like to buy original works of art at prices that are not too exorbitant.

W. Fenn, poultry and game dealers, will be at No. 6 and they intend to offer high-quality poultry, game, venison, a big selection of eggs and some of their own meat products in a delicatessen department. There'll also be a salad, sandwich and home-made soup bar as well as the fruit and vegetables that the original Covent Garden Market was so famous for.

The Dairy Centre at No. 4 will be selling English country cheese and speciality cheese, sandwiches with dairy fillings, cream cakes and dairy products.

Casa Fina, 9 The Market, has one of the biggest units in the Market and will be selling the sort of ceramics, rugs, terracotta pots, cachepots, lamps and furniture that we associate with Spain, Portugal, Mexico and Italy.

The Penguin Bookshop needs little explanation — here the bookworm will be able to find any of the complete range of Penguins, Pelicans, Puffins, Kestrels and Allen Lane books as well. Not entirely an in-house affair, the shop will also be selling a big selection of other publishers' paperbacks, as well as a few hardbacks.

Eric Snook aims to stock no less than 5,000 high-quality toys from exotic soft ones to hand-made porcelain dolls, hand-crafted wooden rocking horses, to the latest in micro-chip electronic and radio-controlled toys.

Culpeper is now very well-known for its herbs and potions, its beautiful packaging, its spices and its old-fashioned toiletries. The branch in Covent Garden will continue to do what it does so well.

Bar Creperie, 21 The Market, is just what it sounds—a bar offering sweet or savoury crepes from morning till midnight but for those in need of stronger sustenance there will be steaks, quiches and salads as well.

The outside of Covent Garden Kitchen Supplies

Covent Garden Kitchen Supplies, No. 3, is a subsidiary of Elizabeth David the specialist kitchen shop and as such will offer much the same brand of efficient workmanlike tools and highly evocative traditional soupieres, gratin dishes and the like. Whether you just want a proper olive-stoner or a tiny petit fours mould, a meat press for a large tongue or a giant fish kettle, Covent Garden Kitchen Supplies is bound to have it.

Newspoint, at No. 14 will be selling a large variety of English, Continental and American newspapers and magazines, as well as local maps and guides, confectionery and cigarettes.

Thorntons at No. 2 is a family confectionary firm making fine quality chocolates, boiled sweets, fudge and toffee, all beautifully packaged, all made without artificial flavourings of any sort.

Hammick's Bookshop, 1 The Market, offers a children's bookshop on the ground floor, with plenty of scope for children and adults to browse, and a large general bookshop in the basement. Hammick's already has five well-established bookshops in other parts of the country but this is its first London venture.

Monsoon will be opening a branch in the new Central Market building which will sell the mix that we have come to expect — a sophisticated, modernised ethnic-style that somehow seems to adapt to most occasions and most climates.

The New York Deli is modelled on that New York institution, the delicatessen, and here you will be able to find those American specialities that we've all learned about from the movies — hot pastrami sandwiches, Reubens, cheese-cakes and the rest of the deli regulars. Joy of joys—they offer a take-out service and will deliver to offices in the area for the "working lunch."

Carolyn Brunn at 25, The Market, will continue to specialise in the kind of lovely knitted clothes for which she has become famous. The autumn clothes are all in pure wool but the spring ones use lightweight wools and cotton in lovely pale colours. The shop also offers to alter hemlines for its smaller customers.

The Body Shop is much less provocative than it sounds. Heavily into natural products it will be selling what it describes as "biologically-soft natural preparations" for hair and body based on ingredients like lettuce, avocado, cucumber, orange and elderberry. Besides a whole range of bathroom accessories there will be a huge Refill Dispensary downstairs for Body Shop empties and a large Perfume Bar with over 30 essential fragrance oils and essences.

Longmans is one of the splendid links between the old market and the new for Longmans is the place to go to for flowers of every sort, whether a staggering bouquet for hand-delivery or a pot-plant for a house-warming present.

The Crusting Pipe will be the latest of Davy's wine bars to open in London. The same successful formula, already tested in places like Mother Bunches, will be used—good quality wine and food, vintage ports decanted daily and lovely luxuries like Champagne and Buck's Fizz served by the tankard.

The Candles Shop, 30, The Market, will be selling at least 500 different kinds of candles from all over the world. Candles to get rid of smoke, repel insects, pure beeswax candles, huge church ones, candles rich with French perfume and a whole array of candle holders will greet the candle shopper.

Craftwork Gallery, possibly already familiar to readers through its Guildford, Heal's and Newburgh Street branches, will be stocking a wide selection of the best of the work produced by British craftsmen. Each branch will now begin to have a different emphasis—in Guildford there is a lot of domestic pottery, while the Covent Garden branch (which now replaces the one at Heal's) will also offer a great deal of practical pottery and special pieces, leaving the Newburgh Street gallery to specialise in clothes and jewellery.

That's Entertainment, at 43 Central Market is a specialist shop selling soundtracks and records of all sorts. Do you want a rare film track, or the music from a Broadway show, or a rare old record? That's Entertainment is the place. If you can't get to Covent Garden the shop is happy to deal with you by mail — just send a stamped addressed envelope and ask for what you want.

Strangeways when it first opened in the Kings Road, Chelsea, offered quite a new perspective on ceramics (it was the shop, if you remember, that launched the "walking tea-sets"). Now it sells a wider range of work but most of it is slightly jokey, all of it is original and it should be a good place to keep an eye on.

Whistles is the place for original British knitwear of all sorts. Specialising in fashion from young British designers it has somehow come to be particularly strong in knitwear. Whatever it sells is original, witty and desirable. Shoes, accessories and jewellery will be sold as well.

Acsis Jewellery will specialise in delicate gold, silver and precious stones. The shop has been designed to look like an Aladdin's cave, brimming with necklaces, bracelets, earrings, watches, gold and silver. Prices start as low as £2.95 and go up to £1,500 but it hopes always to have a large selection priced at under £50.

Pollock's Toy Theatres will not only sell its own splendid cut-out theatres and plays, reproduced from original 19th century designs, it will also sell a wide range of dolls and toys, both old and new, theatrical prints and ephemera and everything else that is related to the fantasy world of children or theatres.

Edwina Carroll, at Unit 16, Central Market, will specialise in high quality British crafts. From British hand-cut crystal engraved glasses, to hand-turned mahogany hour-glasses, from hand-embroidered table linen, to original jewellery. Prices will range from £5 to £500 and it sounds like just the place for that very special present.

Kickers, at No. 15 will be having the usual Kickers range, that masterly mix of brightly-coloured, super-fashionable footwear. Just in time for the opening is the new collection of pastel sandals, bright primary coloured plimsolls and shoes, as well as the now well-known Kickers Boot.

S. Fisher at 12 The Market, will be offering his fantastic mixture of classic knitwear in a huge variety of colours and styles. For instance, where else could you find cashmere sweaters in 36 different colours or choose from such a big selection of lambswool or Shetland knitwear. All very classic, very desirable and very British.

Londoners will possibly have noticed this charming full-colour poster by Reg Cartwright on hoardings round and about the city. It captures beautifully the airiness and the charm of the newly restored Central Market building. Readers who would like a copy of the poster can buy it for £1.50. Unfortunately it is available to personal shoppers only—call in at the GLC Covent Garden Office, 1-4 King Street, London WC2 for this colourful momento.

Making up

FANS of Madeleine Mono's make-up who were contemplating taking planes to the U.S. just to buy her amazing products should hold their horses. I was told by somebody whom I took to be a reliable informant that she always bought her make-up in the States for about half the price it cost over here.

Madeleine Mono's London office assures me that this couldn't be true. Prices on this side of the Atlantic are, naturally, not quite the same as on the other, as freight and duty have to be calculated in the eventual price but the difference in prices over here varies between 0 per cent and about 33 per cent more than in America and certainly isn't as high as 50 per cent.

Something like Light Years Ahead (a single colour eye-shadow) is an almost identical price in Britain, while Arabian Light Powders (another glittering eye-shadow) costs about a third more over here. Stephen Mono, managing director of Madeleine Mono UK, also points out that when buying in America readers should remember that a sales tax, varying from state to state, is added to purchases in American stores so the price ticket is not usually the same as the eventual price paid by the consumer.

ARTS

Remembering Proust

BY ANTHONY CURTIS

"But I—I had become acquainted with Proust and had gained a world—one of the worlds in which, through a book, we can go live awhile whenever we choose." That was Violet Hunt who like Mme. Verdurin once had her own salon, but on Campden Hill, rhapsodising about the Master not long after his death in a volume published by Chatto and Windus in 1923, *Marcel Proust: An English Tribute*. The book, edited by C. K. Scott Moncrieff, contained contributions from Arnold Bennett, Conrad, Clive Bell, Compton Mackenzie, Alec Waugh, Edgell Rickword, Middleton Murry, and A. B. Walkley among others, a sufficiently diverse spread of eminent names to demonstrate the wide appeal of Proust in these islands from the beginning.

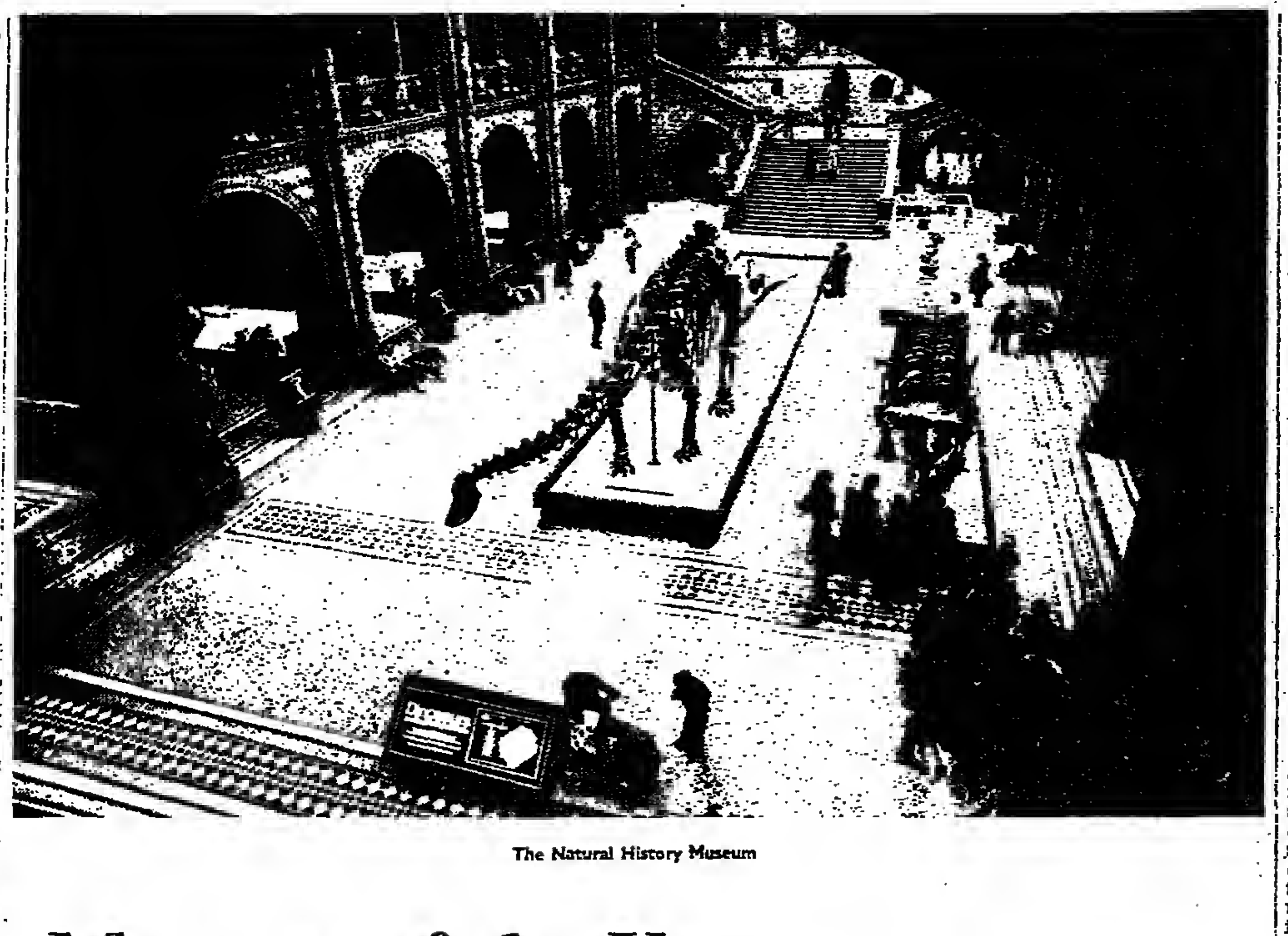
In 50 years the appeal has not diminished but the reputation of Scott Moncrieff as a translator has. The view now is that in his time the old boy did a magnificent job in rendering the ornateness of Proust's sentences into English, but that he did occasionally cut corners. Moreover he did not have the benefit of modern Proustian textual scholarship. He once described the text of Proust as "probably the most corrupt text of any author that is to be found." For some years it has been felt that his famous translation on which so many English judgments about Proust have been based stood in need of complete revision.

The vast task has now been completed by Mr. Terence Kilmartin, the doyen of literary editors, and the results will be published in three volumes by Chatto in the autumn. In the meantime Radio 3 has adroitly jumped the gun, as we say in the trade, and all this week has been broadcasting extracts from the new version adapted by Barry Carman and read by John Wood. As a literary editor myself I will not jump the gun here and go in for line-by-line comparisons between Scott Moncrieff solus and Scott Moncrieff and Kilmartin as the new translation will be known. No doubt we shall all have our fill of that when the volumes are published. But wearing my radio critic's head-phones let me just say that such famous episodes as that of the madeleine-biting and the Duchess's concern about her red shoes come over the airwaves with promising vivacity, and that John Wood's voice has just the right speculative edge to it for Marcel.

As a prelude to the readings A. S. Byatt brought together in *Proust Now* (Radio 3, June 15) extracts from interviews with a number of distinguished contemporary writers. She proved that Proust's spell has as potent a hold today over both the most advanced and the most traditional creative talents as it did in the era of Scott Moncrieff. Her great coup was to have persuaded both Priestley and Pinter to appear on her Proustian panel show. Both revealed the highest admiration for *A La Recherche* but Priestley felt it needed cutting. "All that stuff about place-names. . . . But you can't do it of course, you can't knock him about." (It was, incidentally, for uttering precisely this opinion in a lecture given in the Library of Congress many moons ago that Somerset Maugham got clobbered by Edmund Wilson.) On the other hand, Harold Pinter did not think that Proust's great novel was a word too long. He refrained from naming the British publisher who had approached him with the project of editing down a quintessential Proust, but considered the proposal to be barbarous. He looked upon the three months he spent "cooped up with Proust" a few years ago for the purpose of distilling the novel into a film script as one of the great experiences of his life.

Two French novelists of the nouveau roman movement, Nathalie Sarraute and Michel Butor, spoke eloquently in English in the programme and revealed that Proust's reputation still remains as high at home as it is abroad. M. Butor was particularly interesting on the attitude that Proust himself had to the character called Marcel in the book and to the sense of renewal he undergoes in the course of it. It was left to Malcolm Bradbury to expound the problems facing a novelist in the post-Proustian period when the humanistic perfection that inspired Proust seems no longer recoverable.

Elaine Feinstein has chosen a somewhat Proustian title, *Echoes* for her first play for radio to be broadcast in the Afternoon Theatre space on Friday at 3.15 pm. The heroine, a Czech woman living in East Anglia, is haunted by the son she left behind and is painfully at odds with her English neighbours. She forms a relation with a local boy who is misunderstood by his own mean-minded parents. This seems rather improbable but the nervous energy released as it sweeps along these two characters, played by Linda Polan and Richard Proctor, is formidable. The producer: Liane Aukin. Hear it if you are home.



The Natural History Museum

Museum of the Year

BY GILLIAN DARLEY

The 1980 Museum of the Year Award, sponsored by the Illustrated London News, has been won by the Natural History Museum. Anyone who has even an inkling of the dissensions and wrangles within the museum world (and it has its fair share) will appreciate that this is a contentious decision. The British Museum (Natural History), to give it its official title, has ventured far into that tricky region between education and entertainment, scholarship and popular appeal, and for doing so its staff have been praised and condemned in almost equal measure.

In order to extricate itself from an image of mahogany showcases and rank upon rank of stuffed animals and miscellaneous vertebrae the museum recently began a programme of exhibitions, each with a theme and an interpretative function. The visitor was required to activate switches, answer questions, push selector buttons and generally to be an active participant. The first of these exhibitions was "Human Biology" which opened in 1977. It was followed by "Introducing Ecology" (1978), "Dinosaurs and their Living Relatives" (1979) and, for 1980, "Man's Place in Evolution." All highly automated, these exhibits have used the museum collection only sparingly, concentrating on graphics, sound and light effects and verbal explanation.

Such presentation tends to give free reign to the designer and there is a clearly recognisable style running through all four of the exhibitions. The Human Biology exhibition has been strongly criticised, in my view rightly, because it depends particularly on a sort of "end of the pier" aesthetic, and takes place in a black hole which entirely foils the effects of the architecture of the building. The subsequent exhibitions are less full of tricks and games, and less elaborately constructed.

More are planned, at roughly yearly intervals which raises the question of space. At the presentation of the award Dr. R. H. Hedley, the director, mentioned a need to extend the size and scope of the museum.

The result of a public inquiry into the museum's application to demolish the Grade 1 listed north-eastern galleries is still awaited. Alfred Waterhouse's building is now resplendent after cleaning and the threat to part of its fabric is a sad shadow on its new splendour. The plans for a sizeable block on the site of the galleries, to house offices and restaurant as well as exhibition space, do little to reassure.

Some of the museum's real glories are the least seen. The plant gallery, up at second floor level, and the whale gallery—together with the exhibitions of corals and marine invertebrates—are simply, well-designed presentations. They depend largely on the clear exposition of objects in the museum collections: they are up to date and attractive.

Walk around the museum and the clear favourites remain the stuffed animals, the more fantastic of the skeletons, and the dioramas. Clearly the special exhibitions are popular, too. It is hard, however, to see how further exhibitions and exhibition space *could* be added to the present complement. There is a vast mineral gallery—an apparent overlap with the Geological Museum next door—and the shop, which has now extended into a series of well-stocked separate spaces, seems to have found itself more room.

The Natural History Museum, together with its country cousin out at Tring (a feast for the devotee of stuffed animals), has always had to reconcile widely divergent requirements. Nevertheless the plans for expansion and the shifting of emphasis towards the undemanding entertainment provided by some of the recent exhibitions are definite danger signals.

The award that the Museum has received is well deserved. Few national museums venture so far, and few admit to their mistakes as it has from time to time. Nevertheless, as a museum which prides itself on listening to public response, let's hope the new status will not deafen the ears of its staff to dissent, or make them too proud to accept well-meant criticism.

A Village Romeo and Juliet

BY RONALD CRICHTON

English National Opera North's *A Village Romeo and Juliet* drew a full house at the Theatre Royal, Nottingham, on Thursday. The production, a new one, presented in association with the Delius Trust, was first seen at Leeds, four weeks ago. The flood of passionately lyrical music firmly captured the Nottingham audience in spite of a theatre acoustic unfriendly to late-Romantic scores. It was clear that David Lloyd-Jones had mastered the "flow" to which Delius attached such importance. Yet with the texture disintegrating before it reached one's ears (some woodwind arabesques came over like piercing whistles—only the good oboe emerged unscathed) it wasn't until the "Walk to the Paradise Garden" interlude that the orchestral sound began to coalesce and glow.

The six scenes are played on a steep ramp narrowing as it rises towards the back of the stage. Round this the designer John Fraser places tall, sloping screens suggesting forest trees or enclosing walls. For most of the time the colour, like wood treated with beeswax, is comfortably mellow. When required, as in the Munch-like interior of Vrenchen's family house, *it* can go forbidding. But the omnipresent ramp finally hinders more than it helps—the last, all-important scene at the Paradise Garden inn by the river is poorly served.

Except for one dubious innovation described later, Patrick Libby's production serves well enough though there is little attempt to match the symbolic scenery in the nondescript style of movement. At times the singers seem (understandably) bothered by the Wagnerian pace of music and drama—pace, not length, the opera being quite short. The question of pace also affects the singers' projection. Delius set the libretto he made out of Gottfried Keller's story in German. Tom Hammond's English version is a great improvement on the one printed in the vocal score but the vocal lines are still testing.

Sali and Vrenchen, the lovers separated by feuding families in a Swiss village community are taken here by two pleasing and talented young singers—Laureen Livingstone and Adrian Martin, neither consistently audible until the final scene. The deeper voices have an easier time. Thomas Lawlor and, except when he was badly placed, Patrick Wheatley, as the two fathers who quarrel over a strip of waste land, were perfectly clear. And so, to the last inflection, was the Dark Fiddler, the rightful owner of the disputed strip, legally unable to claim it because he is illegitimate, who shows the young people a way out of their (in that circumscribed society) impossible predicament.

Stuart Harling successfully makes this potentially melodramatic figure unconventionally eccentric rather than conventionally sinister, but it was over-ingenious of the producer to make the Fiddler officiate at Sali and Vrenchen's dream-wedding. In Keller's story the couple have a rather touching longing for respectability, and in Delius's wedding-music it is hard to find any suggestion of such a grotesque, surrealist twist. The fair scene—Delius at his most unethereal and physically direct—goes well. Mr. Lloyd-Jones was right to let the music rip. The vagabonds, the Fiddler's boon companions at the inn, one of this imperfectly sophisticated composer's aberrant tumbles into a dramaturgical idiom already out of date when the opera was written—were tactfully done by four members of the chorus.

Delius as an opera composer surely has a brighter future in spite of his obvious defects than one could have predicted in Beecham's heyday. The esoteric aspect of his music can be exaggerated. To a large extent he is a gut-reaction composer able to reach and delight mass audiences. He didn't merely watch sunsets. There is plenty of human compassion in his music. He is nearer Janacek than people imagine, even though he completely lacked Janacek's extra dimension of intense interest in human speech as well as the human heart. There is one more performance of *A Village Romeo* on the present ENON tour, on Thursday, July 3, at Norwich.

Tussaud awards

The two scholarships, worth £750 each, awarded every year by Madame Tussauds, to students who show excellence in figurative work have gone to Howard Ramsey, a final year student at the Royal College of Art, and to John Humphries, a final year sculptor at the Royal Academy.

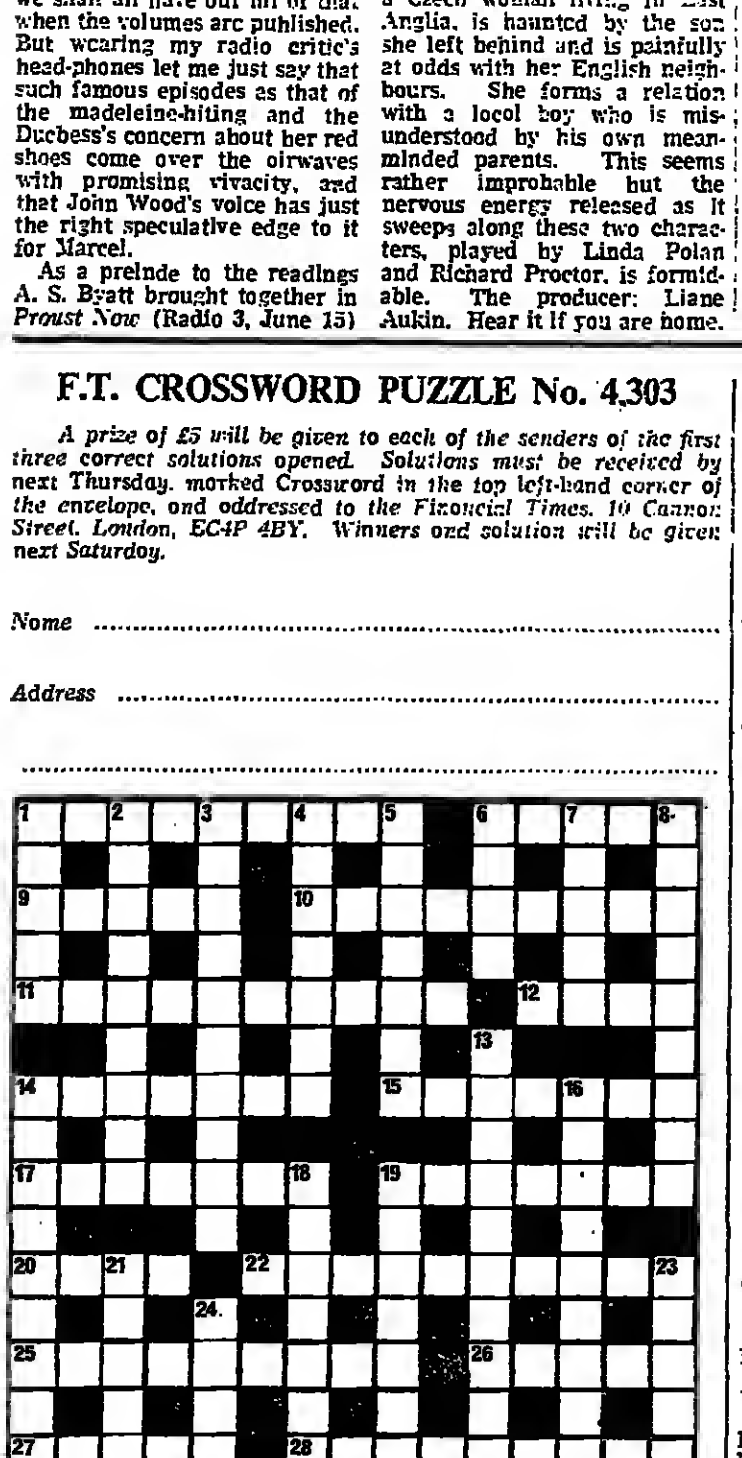
F.T. CROSSWORD PUZZLE No. 4,303

A prize of £5 will be given to each of the senders of the first three correct solutions opened. Solutions must be received by next Thursday, marked Crossword in the top left-hand corner of the envelope, and addressed to the Financial Times, 10 Cannon Street, London, EC4P 4BY. Winners and solution will be given next Saturday.

Name ....

Address ....

....



ACROSS
1 Accountants join extremely circumspect bird (9)
6 Beautiful girl with heart of stone (5)
9 Girl presented it as something owing (5)
10 Stop offer to pump handler (9)
11 Trains the eleven to produce power (5, 5)
12 William Archer (4)
14 Objection to lot of hotel servant (7)
15 Doctor before greeting can be brave (7)
17 Batsmen who is out (7)
19 Kind old Bob follows coin (7)
20 Comfortable. The ayes could have it (4)
22 What is due simply about protected child (4, 6)
25 Usually at sea (2, 3, 4)
26 Bird takes warrant-officer back on leave (5)
27 Better at punishing magistrate (5)
28 Extra part given to musician (3, 6)

DOWN
1 Drink to detectives on the Queen Elizabeth (5)
2 Sentimental writer like this born to keep woman in order (3, 8)
3 Short with ice (2, 3, 5)
4 Evergreen artist upset on the other hand over us (7)
5 Crime squad member in rigging (7)
6 More sanctimonious bridge supporter (4)
7 Tot the French confuse (5)
8 Insensitive to family's misfortune (4, 5)
13 Snack establishing Wensleysdale record? (6, 4)
14 Carving by graduates on dole (3, 6)
16 World power caught by deposit of potty raw material (5, 4)
18 Fruit? What nonsense (7)
19 It's neat maybe and material (7)
21 Sunburn gained in South Africa can be the very devil (5)
23 Port of Parade Territorials put off (5)
24 Put up with speculator (4)

Solution to Puzzle No. 4,302

TV/Radio

† Indicates programme in black and white.

BBC 1

7.15-8.30 am Open University (Ultra high frequency only). 8.55 The Nitwits. 9.10 The Adventure Game. 9.55 Feeling Great! 10.05 "The Great Sioux Uprising," starring Jeff Chandler. 11.22 Weather. 11.25 Cricket: Second Test—England v West Indies.
1.30 Grandstand: Rifle and Pistol shooting (1.35) The Alka-Seltzer Invisation International; Racing from Ascot (1.50, 2.20, 2.50); Cricket: Second Test (2.10, 2.35, 3.30) England v West Indies; Athletics (3.05, 3.30) BAAB Olympic Trials; Tennis (3.30) The BMW Championships; 5.00 Final Score.
5.20 The Pink Panther Show.
5.40 News.
5.50 Sport/Regional News.
5.55 California Fever.
6.45 What's On Wogan?
7.20 International Match of the Day.
†9.35 Knots Landing.
10.25 News.
10.35 Telford's Change.
11.25 Saturday Night at the Mill.

All Regions as BBC-1 except as follows:—

Cymru/Wales — 5.50-5.55 pm Sports News Wales. 12.15 am News and Weather for Wales.

Scotland—12.15 am News and Weather for Scotland.

Northern Ireland—5.50-5.55 pm Northern Ireland News. 12.15 am News and Weather for Northern Ireland.

England—5.50-5.55 pm (South-West only) Saturday Spotlight.

BBC 2

7.40 am-2.45 pm Open University.
†3.00 pm Saturday Cinema: "They Got Me Covered," starring Bob Hope and Dorothy Lamour.
4.30 Cricket: Second Test—England v West Indies.
6.35 Carmen Comes to St. Aidan's.
7.05 News and Sport.
7.20 Dance Month.
8.40 Your Life In Their Hands.
†9.35 Film International: "Sven Klang's Quintet."
11.10 News On 2.
11.15 Return Call To Brass Tacks.
11.25 Cricket: Second Test highlights.
†11.25 Dance Month. Film: "You'll Never Get Rich," starring Fred Astaire and Rita Hayworth.

LONDON

8.55 am Sesame Street. 9.55 Super Friends. 10.30 Fun Factory. 12.30 pm World Of Sport: 12.35 International Sports Special Part 1) Athletics—U.S. Outdoor Championships from California, plus Soccer (European Championship Report) and Australian Pools Check; 1.15 News; 1.20 The ITV Seven—1.30, 2.00, 2.30 and 3.00 from Ayr; 1.45, 2.15 and 2.50 from Redcar; 3.10 International Sports Special (Part 2) Motor Cycling from Donington; 4.00 Wrestling; 4.55 Results Service.
5.05 News.
5.15 Cartoon Time.
5.30 Return of the Saint.
6.30 Rock With Laughter.
7.00 240-Robert.
8.00 Mixed Blessings.
8.30 From Here to Eternity.
9.30 News.
9.45 Screenplay.
11.00 Boxing — World Welterweight Championship: Sugar Ray Leonard (U.S.) v Roberto Duran (Panama).
12.00 Pro-Celebrity Darts.
12.30 am Close: Personal choice with Ivor Mills.

All IBA Regions as London except at the following times:—

ANGLIA

5.20 am Tarzan. 10.10 Fangface. 5.30 pm Mork and Mindy. 6.00 Sale of the Century. 7.00 Return of the Saint. 12.00 Soap. 12.30 am At The End of the Day.

ATV

9.10 am Invasion Road. 9.35 Public Office. 10.00 Bailey's Bird. 5.15 pm The Great Cartoon Stars—Popeye. 5.40 Return of the Saint. 5.35 Rock With Laughter. 7.05 B.J. and the Bear.

BORDER

8.10 am Invasion Road. 9.35 Public Office. 10.00 Untamed World. 5.15 pm Flower Stories. 7.00 B.J. and the Bear. 12.00 Afloat.

CHANNEL

5.15 pm Puffin's Pla(i)ce. 6.18 Cartoontime. 5.30 Talk of the Town: Tiverton. 6.00 Mork and Mindy. 7.00 B.J. and the Bear. 12.00 Pro-Celebrity Snooker.

GRAMPIAN

5.20 am The Beachcombers. 5.45 Cuir Car. 10.15 Cartoon. 5.15 pm Popeye. 7.00 Chips. 12.00 Seachd Laithean. 12.15 am Reflections.

GRANADA

9.30 am Invasion Road. 10.00 Cartoon. 10.05 Batman. 7.00 pm The Incredible Hulk. 12.00 For Adults Only.

HTV

5.15 am Public Office. 5.40 Link. 10.05 Fangface. 7.00 pm Chips. 12.00 The Electric Theatre Show.

HTV Cymru/Wales—As HTV West/HTV General Service except: 6.30-7.00 pm Sion A Sian.

SCOTTISH

9.10 am Invasion Road. 9.35 Build Your Own Boat. 10.00 Sam. 7.00 pm A Man Called Sloane. 12.00 Late Call. 12.05 am Soap.

SOUTHERN

10.00 am Fangface. 10.27 Regional Weather Forecast. 5.15 pm Trevor Baker's All-Weather Show. 6.00 Return of the Saint. 7.30 The Incredible Hulk. 12.00 Southern News.

TYNE TEES

9.00 am Saturday Shake Up. 9.05 Tarzan. 9.55 Saturday Shake Up. 10.05 Moby Dick and the Mighty Mightor. 10.30 Saturday Shake Up. †10.50 Saturday Morning Movie: "The Happiest Days Of Your Life," starring Alastair Sim and Margaret Rutherford. 12.20 pm Saturday Shake Up. 12.25 Check It Out Preview. 5.15 Popeye. 7.00 A Man Called Sloane. 8.00 Sale of the Century. 11.00 Police Story. 12.30 am Three's Company.

ULSTER

9.35 am Invasion Road. 10.00 Cartoon Time. 10.15 Larry The Lamb. 5.15 pm Doctors and Nurses. 7.00 Charlie's Angels. 8.44 Ulster Weather. 12.00 Sports Results.

WESTWARD

9.30 am Target The Impossible. 9.55 Look and See. 10.00 Rocket Robin Hood. 10.25 Gus Honeybun's Birthdays. 10.30 Fun Factory. 12.27 pm Westward News. 5.15 Westward News. 5.18 Cartoontime. 5.30 Talk of the Town: Tiverton. 6.00 Mork and Mindy. 7.00 B.J. and the Bear. 12.00 Pro-Celebrity Snooker. 12.45 am Faith for Life. 12.50 West Country Weather and Shipping Forecast.

YORKSHIRE

9.00 am Spiderman. 9.15 Beachcombers. 9.40 Man From Atlantis. 7.00 pm A Man Called Sloane. 12.00 The Entertainers featuring The Wurzels.

RADIO 1

(S) Stereophonic broadcast
‡ Medium Wave

5.00 am As Radio 2. 7.00 News. 7.03 Playground. 8.00 Tony Blackburn with Junior Choice. 10.00 Peter Powell Roadshow Special. 1.00 pm Adrian Juste (S). 2.00 A King In New York (S). 2.05 Paul Gambaccini (S). 4.00 Rock On Saturday (S). 7.30-5.00 am As Radio 2.

RADIO 2

5.00 am News Summary. 5.02 Tom Edwards (S). 8.05 David Jacobs with Star Sounds (S). 10.02 Pete Murray's Saturday Show (S). 1.02 pm Punch Line. 1.30 Sport on 2: Tennis Special (1.30, 2.20, 3.10, 4.0, 4.30, 5.05); Athletics (2.15, 3.15, 4.15, 5.15) UK Championships; Ascot Racing (1.30, 1.55, 2.25, 2.55, 4.50, 5.45); Rugby Union (1.30, 2.35, 3.05, 3.20, 4.50, 5.30) Northern Transvaal v British Lions; plus boxing, cricket, golf, football. 5.45 Racing results. 6.03 Europe 80. 7.02 Three In a Row. 7.30 Sports Desk. 7.33 BBC International Festival of Light Music (S). 10.02 Sentimental Journey (S). 11.02 Sports Desk. 11.10 Bob Kilbey with The Late Show (S), including 12.0 am News. 2.02-5.00 am You and the Night and the Music (S).

RADIO 3

7.55 am Weather. 8.0 News. 8.05 Aubade (S). 9.00 News. 9.05 Record Review (S). 10.15 Stereo Release (S). 10.55 Bandstand (S). 11.25 Cricket: Second Test—England v West Indies including 1.35 pm News. 1.40 A View from the Boundary. 2.00 Lunchtime scoreboard. 5.40 The Organ Works of J. S. Bach (S). 7.30 Danish Radio Symphony Orchestra concert, part 1 (S). 8.20 Art on the Streets (talk by Edward Lucie-Smith). 8.40 Concert part 2 (S). 9.10 Try to Dig What We all say (talk by Simon Frith). 9.45 Bach The Arranger (S). 10.15 Ivor Cutler and [illegible]. 10.25 Violin and Piano recital (S). 11.00 News. 11.05-11.15 Schutz (S).

VHF—With Medium Wave except as follows: 6.00-8.00 am Open University. 11.25 Saint-Saens (S). 11.45 Diversions (S). 1.00 News. 1.05 Early Music Forum (S). 2.00 Play it Again (S). 5.00 Jazz Record Requests (S). 5.45-6.40 Critics' Forum.

RADIO 4

6.25 am Shipping forecast. 6.30 News. 6.32 Farming Today. 6.50 Yours Faithfully. 6.55 Weather; programme news. 7.00 News. 7.10 On Your Farm. 7.40 Today's Papers. 7.45 Yours Faithfully. 7.50 It's a Bargain. 7.55 Weather; programme news. 8.00 News. 8.10 Sport on 4. 8.45 Today's Papers. 8.50 Yesterday in Parliament. 8.59 Continental Travel. 9.00 News. 9.05 Breakaway. 9.50 News Stand. 10.05 The Week In Westminster. 10.30 Daily Service. 10.45 Pick of the Week (S). 11.35 International Assignment. 12.00 News. 12.02 pm Money Box. 12.27 The News Quiz (S). 12.55 Weather; programme news. 1.00 News. 1.10 Any Questions? 1.55 Shipping Forecast. 2.00 News. 2.05 Wildlife. 2.30 Little Dorrit. 3.25 Join Radio 3. 5.00 You Are What You Eat. 5.25 Week Ending. 5.50 Shipping Forecast. 5.55 Weather; programme news. 6.00 News. 6.15 Desert Island Discs with General Sir John Hackett. 6.55 Stop the Week with Robert Robinson. 7.35 Baker's Dozen (S). 8.30 Saturday-Night Theatre (S). 9.58 Weather. 10.00 News. 10.15 Night Life or A Dream For All Seasons. 11.00 Lighten Our Darkness. 11.15 The Magic of Music (S). 12.00 News.

BBC Radio London

5.00 am As Radio 2. 7.32 Good Fishing. 8.00 News, weather, traffic, sport. 8.15 Weekend What's On. 8.30 Bob Powel's London Country. 10.03 Stuart Colman's Echoes. 11.30 The Robbie Vincent Show. 2.00 pm Time Off. 3.00-5.00 am Join Radio 2.

London Broadcasting

7.00 am AM—Des Fahy. 10.00 Jellybone. 12.00 LBC Reports. 1.00 pm Sportswatch. 6.00 LBC Reports. 7.00 Geel Mele. 8.00 The State of War. 9.00 The London Interview: Philip Bacon talks to Evening Standard film critic Alexander Walker. 10.00 Nightline. 1.00 am Night Extra. 5.00 Morning Music.

Capital Radio

2.00 am John Cash's Night Flight (S). 6.00 Kerry Juby's Breakfast Show (S). 9.00 Capital Countdown with Peter Young (Live from Knebworth) (S). 12.00 Kenny Everett (S). 3.00 pm Afternoon Delight with Mike Allen (S). 6.00 Soul Spectrum (S). 8.00 Roots Rockers (S). 8.00 Nicky Horne's Six of the Best (S). 12.00 After Midnight (S). 4.00 am The Collection (Classical Music (S).

TV RATINGS

w/e June 15

UK TOP TWENTY (viewers m)

1	The European Football Championship: Italy v England (ITV)	15.05
2	Only When I Laugh (Yorks.)	14.40
3	Where There's Life (Thms.)	13.90
4	Coronation St. (Wed.) (Gran.)	13.65
5	Coronation St. (Mon.) (Gran.)	13.40
6	The Vikings (BBC)	12.80
7	The Wind And The Lion (ITV)	12.50
8	Crossroads (Tues.) (ATV)	12.45
9	[illegible]	[illegible]
10	Are You Being Served? (BBC)	12.30
11	News at Ten (Wed.) (ITN)	[illegible]
12	Starsky and Hutch (BBC)	11.45
13	Mike Yarwood (BBC)	[illegible]
14	Winner Takes All (Yorks.)	11.10
15	That's Life Report (BBC)	11.00
16	Nine O'Clock News (Thurs.) (BBC)	10.40
17	The Mallens (Gran.)	10.35
18	Tales of the Unexpected (Anglia)	10.25
19	Can We Get On Now Please (Gran.)	10.00
20	The Times and Tides of Judge Roy Bean (BBC)	[illegible]

Figures prepared by the Audits of Great Britain for the Joint Industry Committee for Television Advertising Research (JICTAR).

CHESS SOLUTIONS

Solution to Position No. 325

1 R-K6 ch, KxP; 2 R-KN6! R-K1 (not RxR? 3 R-B8=Q ch or KxR? R-N8); 3 R-K6! (stops P-K7 ch), R-KN1! (if RxR; 4 P-B8=Q, P-K7 ch; 5 K-N2); 4 R-KN6! with a draw by repeated moves.

Solution to Problem No. 325

1 Q-Q3, B moves; 2 Q-B1 ch, B-N8; 3 Q-Q1, KxP; 4 Q-B3 mate.

SOLUTION AND WINNERS OF PUZZLE NO. 4,297

Mr. D. A. W. Lovell, Cloverdale, Dornoch, Sutherland IV25 3JA.

Mr. F. A. Sharman, Upland Cottage, 168 Penn Road, Wolverhampton WV3 0GJ.

Mr. A. S. Woodhams, 6 Avenue St. Nicholas, Harpenden, Herts.

COLLECTING

Elizabethan map maker

BY JUNE FIELD

IN HIS lifetime Christopher Saxton, father of English cartography, did not win the renown which he deserved. An epitaph from Dr. John Favour, Fellow of New College, Oxford, vicar of Halifax from 1593 until his death in 1623, appropriately recording:

This humble earth bears Saxton's body
Who while he was living England scarcely recognised.

(The complete verses are in a notebook preserved in the Bodleian Library at Oxford).

He was born in 1542 or 1544 (the exact date is unknown as is that of his death, believed to be 1610 or 1611), at Dewsbury in the West Riding of Yorkshire. Much of the great Elizabethan surveyor's personal life is shadowy, including the dates of his marriage(s). A little more is known of his five children, particularly the work of his son Robert, the only one to follow in his footsteps as a surveyor.

But as Ifor M. Evans and Heather Lawrence say in their scholarly new book, *Christopher Saxton Elizabethan Map-maker* (Wakefield Historical Publications and The Holland Press, £20): "Whatever the intimate details of Saxton's background, one thing is incontrovertible—he was chosen by Thomas Seckford of Seckford Hall, Woodbridge in Suffolk, to survey and map the counties of England and Wales."

Saxton surveyed and drew all his maps himself, travelling around the countryside on foot and horseback studying the land he was to map. He measured distances by pacing, or with chains. The compass and cross staff were used and the survey carried out by simple triangulation. He did not put in roads, hills were often out of proportion, and the principal rivers had exaggerated widths. Cities, towns and villages were depicted by clusters of churches and houses of varying size, and hamlets, castles and manor houses each had their own symbols.

The complete atlas of 34 county maps, a map of Anglia, and a frontispiece of Queen Elizabeth I, plus coats of arms, tables of towns and an index, was originally entered at Stationers' Hall in 1579, price 15 shillings.

The possibility of acquiring an original Saxton atlas is quite remote, admits Mr. Yasha Beresiner, director at Stanley Gibbons Antiquarian, who specialises in maps and playing cards: "But if one ever came onto the market it could possibly fetch well in excess of £40,000. The cheapest of the maps, subject to being in good and clean condition, would be around £1,000."

The exhibition "Christopher Saxton and Tudor Map-Making," which Opens at the British Library's map gallery at the British Museum on Friday, features Thomas Seckford (1515-87), of Woodbridge, Suffolk, a master of the Court of Requests, and Saxton's patron and benefactor.

A significant exhibition "Christopher Saxton and Tudor Map-Making" opens in the British Library's Map Gallery at the British Museum on Friday.

Examples of all the known issues of his atlas will be on show. It continued to be published until 1770, plus the much rarer work, a large wall-map of England and Wales, published in 1583 on 20 sheets.

To complement the exhibition, there is an excellent book of the same name by Sarah Tyacke and John Huddy, available at £3.25 from the British Library Reference Division Publications, Great Russell Street, WC1, where you can also buy a full range of Saxton's county maps in colour fascimile from £1.95 each.

Several reproduction of Saxton's complete atlas have been produced in the past few decades; the best known the British Museum publication, 1936, revised 1939. Now a magnificent facsimile edition, *Saxton's Atlas, 1579-1979,* has been produced in an edition of 500, at £395 each. (Illustrated prospectus from Frances Loudon, The Collectors' Library of Fine Art, 10, Conduit Street, London W1.)

The introduction to the new edition has been written by veteran map expert Mr. R. V. Tooley, whose own new book, *Tooley's Dictionary of Map Makers,* £61, contains 21,450 entries. Brochure Valerie Scott, The Map Collector, Church Square, High Street, Tring, Herts, who will also send details of the quarterly magazine, *The Map Collector,* of which she is assistant editor, and Mr. Tooley editor.

The indefatigable 81-year-old also opened his new gallery, Tooley's, 33, Museum Street, WC1, in January.

For more news of the map world, there is the newly formed International Map Collectors' Society; for details sae to Mr. Michael Davies, Woodstock, Feyford, Favell, Worcester.

CHESS

LEONARD BARDEN

Since the memorable Phillips and Drew Kings at Easter there has been a debate in British chess circles on whether it was wise to expose the talented Nigel Short to the highest level of world competition at the age of only 14 and possibly risk damage to his confidence. Nigel scored four draws and nine losses from his 13 games and, though he missed a few chances for better results as in the first round against Tony Miles, in general he could not cope with the far greater experience and theoretical depth of the leading grandmasters.

Despite Short's low score I am convinced the decision to include him in this elite tournament was entirely right and that the experience and example will be beneficial both to Nigel and to other young players. If somebody is going to be mentally scarred for his chess life by a single setback there is something wrong with his whole psychology which will emerge however his career is shaped. Short is an optimist with few fears of opponents and his one real weakness till now has been to underestimate the serious work required away from the board for success at the highest level. If his losses at the Phillips and Drew mentally attune him to better pre-game preparation and to a tighter guard against tactical oversights, it will make him a still stronger grandmaster in the years to come.

Short was encouraged to aim very high when very young. At ten he was already competing in weekend opens and in the preliminaries of the British men's championship, and thus avoided the real chess danger of advancing too slowly. Junior mass coaching schemes, inter-school and inter-county events form the traditional organisation of chess for young players here but on their effect on the most able can be negative. Too often juniors only begin to meet strong adult opponents in their late teens when energies are increasingly involved with exams, university and career.

The value of Short's participation in the ICL Hastings Premier and the Phillips and Drew is, quite apart from its importance to Nigel, that it provides a vision and a target for other talents to set their sights higher. One early benefit came last month when the 19-year-old Brighton player, David Cummings, who had already made promising scores in the British Championship and Hastings Challengers, tied for first prize in the Hamar, Norway, IM tournament. He was level with Norway's former olympic top board Johannesaen and ahead of three other international masters.

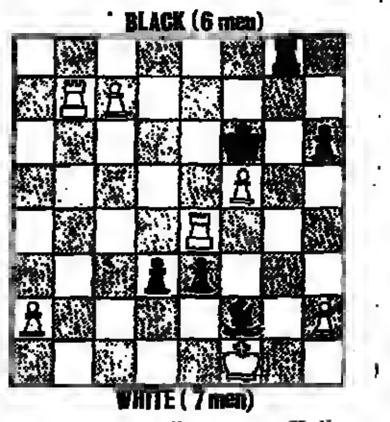
Games with a large generation gap often provide interesting play. Cummings's best win at Hamar was against the veteran Erik Lundin, one of Sweden's "three musketeers" of the 1930s and still a dangerous opponent at 76.

White: E. Lundin (Sweden). Black: D. H. Cummings (England). Opening: Queen's Indian (Hamar 1980).

1 P-Q4, N-KB3; 2 P-QB4, P-K3; 3 N-KB3, P-QN3; 4 P-KN3, B-R3; 5 Q-R4, P-B3 (P-B4 may be preferable, but Black intends an unclear gambit); 6 N-B3, P-QN4; 7 PxP, PxP; 8 NxP, Q-N3; 9 P-K3, B-N2; 10 B-K2, B-B3; 11 Q-B4, Q-N2; 12 P-K4 (Lundin always liked enterprising play, and prefers a counter-gambit to the safe 12 0-0 when Black has little better than a draw by 12 ... BxKN; 13 BxB, QxB; 14 Q-B8 ch, K-K2; 15 Q-B5 ch); NxP; 13 0-0, P-QR3; 14 N-B3, B-K2; 15 N-K5, NxN; 16 PxN, B-Q4; 17 Q-Q3, N-B3; 18 B-B4? (exchange of knights strengthens Black's chances on the light squares, so better 18 N-B4), NxN; 19 BxN, 0-0; 20 P-QB4, B-K5; 21 Q-N3, Q-B3; 22 P-B3, B-N3; 23 B-B4, B-B3; 24 QR-Q1, KR-K1; 25 Q-K3, P-Q3; 26 B-N5, BxB; 27 QxB, QR-N1 (Black's active pieces easily outweigh the extra pawn, and he prepares a winning Q-side invasion); 28 Q-Q2, Q-R5; 29 R-B2, Q-R6; 30 B-Q3, KR-QB1; 31 BxB? (31 is a tougher defence), RPxB; 32 R-QB1, R-N5; 33 R-B3, Q-R5; 34 P-B5 (preferring a last trap to allowing Black to regain the pawn with a winning ending), RxQP; 35 PxP, Q-Q8 ch (not RxQ? 36 RxR ch); 36 K-N2, RxQ; 37 Resigns.

POSITION No. 325

BLACK (6 men)

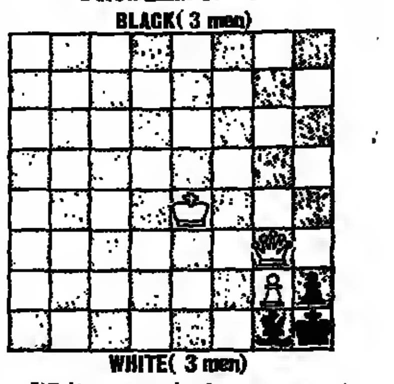


WHITE (7 men)

Kuijpers v. Petersen, Halle 1967. White (to move) is threatened with R-N8 mate. How should the game go, and who has the advantage with best play? The solution is very surprising.

PROBLEM No. 325

BLACK (3 men)



WHITE (3 men)

White mates in four moves at latest, against any defence (by F. Karge, Deutsche Schachzeitung 1979).

Solutions Page 14

BRIDGE

E. P. C. COTTER

To play a Dummy Reversal is not a difficult manoeuvre, but the reason why it does not figure more prominently in average circles is simply because players do not think of it. Let us look first at this hand from a rubber:

```
           N.
        ♠ A 8 7
        ♥ A Q 10
        ♦ Q J 4
        ♣ A 9 5 3
   W.              E.
♠ Q 10 6 4      ♠ 9 5 3
♥ 7 2           ♥ 6 4 3
♦ 10 5 3        ♦ 8 6 2
♣ Q J 10 8      ♣ K 7 4 2
           S.
        ♠ K J 2
        ♥ K J 9 8 5
        ♦ A K 9 7
        ♣ 6
```

With both sides vulnerable, North dealt and bid one no trump, to which South replied with three hearts. North rebid four clubs, accepting hearts as trumps, cue-bidding the Ace of clubs, and showing willingness to explore further. South now said four diamonds, showing that he, too, had slam aspirations, and North said four spades. South made another forward bid of five diamonds, North said six hearts, and South went to seven hearts—an intelligent sequence of bidding.

West led the club Queen, the Ace won, and declarer started to count. He had 12 tricks on top, and a successful spade finesse would yield the thirteenth. Many a declarer would look no further than this finesse, but this declarer was an expert, and saw that a dummy reversal was possible. He could ruff three clubs in hand, thus making six trump tricks instead of five, which would bring home the contract, provided, of course, that the trumps broke 3-2. This was nearly a 70 per cent chance, which was better than an even-money finesse.

At trick two he ruffed a club with the heart King, led a heart to dummy's ten, and ruffed another club high. He returned to the heart Queen, ruffed dummy's last club, and crossed again to the table via the spade Ace. He drew East's remaining trump with the Ace, and claimed. And no one could call that difficult.

I watched North and South, two internationals, get their wires crossed on this hand:

```
           N.
        ♠ 9 6 3
        ♥ K J 5
        ♦ 9 8
        ♣ K J 10 5 4
   W.              E.
♠ 10 7 4        ♠ J 8 2
♥ Q 10 8 2      ♥ 9 4 3
♦ 3 2           ♦ K 5 4
♣ Q 9 8 2       ♣ A 7 6 3
           S.
        ♠ A K Q 5
        ♥ A 7 6
        ♦ A Q J 10 7 6
        ♣ —
```

With North-South vulnerable, South dealt and bid two diamonds, and North responded two no trumps. This on their system was a positive response—this they both knew—but it also showed a heart suit—this North forgot! After three spades from South, North said three no trumps, then South bid four clubs, and North corrected to four diamonds. South now unleashed an unguided missile by saying five hearts, and North — had the penny just dropped? — passed. Moysian fits we have all heard of, but a 3-3 trump fit is extra-terrestrial.

West led the club two, dummy's ten drew East's Ace, and South ruffed—the dummy reversal was under way! The club lead was a godsend — it allowed South to make a ruff, and it established the club King, not for an extra trick, but as a stopper. South cashed the heart Ace, finessed the Knave on the table, cashed the King, and ran the nine of diamonds. Then the diamond ten was finessed, the Ace dropped East's King, and South collected 12 tricks—the defence scored only the trump Queen!

This dummy reversal should certainly figure in the Guinness Book of Records.

East Berlin at Christie's

SALEROOM

ANTONY THORNCROFT

Two 19th century paintings from the National Gallery in East Berlin sold for a total of £10,500 at Christie's yesterday. A third, by the American artist William Shade, was unsold when the bidding reached £1,700. It is the first time that Christie's has sold pictures sent from East Germany: the two disposed of went for around their estimated prices.

The top price was the £10,000 plus the 11.5 buyer's premium and VAT, paid for "All Souls' Day in Bregenz" by Wilhelm Riefsthal, depicting nuns and children laying wreaths in a Tyrolean churchyard and dating from 1869. A three-quarter length portrait of Frau Rechtsanwalt Lau, by Eduard Magnus, was bought by Cooke, a Sussex dealer, for £500. The East Germans are selling the pictures, plus a fourth, by the English artist William Joy, to be auctioned in October, in order to raise enough money to purchase "Der Beblendete Simson (The Blinded Samson)" by the 20th century German painter Lovis Corinth, which has been on loan to the Gallery for the past 22 years.

The auction of continental pictures at Christie's totalled £663,390. The highest prices were the £20,000 for a view of sheep in a pen by Heinrich Johann von Zugel; the same sum paid by Huybrecht's, a Belgian dealer, for "Outside of a Moorish coffee shop" by Ludwig Deutsche; and £20,000 again, by a telephone bid, for another von Zugel, also of sheep in a wooded landscape. Huybrecht's was in the market for more paintings of Islamic interest, buying a second Deutsche, "The Scribe," for £19,000, and a work by Jean Leon Gerome of "An Arab with two greyhounds," for £18,000.

At Stanley Gibbons the only known copy outside of the Queen's stamp collection of a Cayman Islands 1908 4d stamp bearing a double 2½d surcharge fetched £22,500 in a Johannesburg sale. Another great rarity—a Kenya and Uganda £75 stamp of 1922-27 sold for £20,000

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Saturday June 21 1980

On with the round dance

THE FACT that markets anticipate is well known, so that investors may well feel that things are perfectly normal when securities rise in value as the economy slides into recession. Indeed, as far as fixed interest securities are concerned, the rise is inevitable: a recession means lower interest rates, tomorrow if not today. It is a bet on a long-term certainty. Since lower interest rates and a lower exchange rate will take some pressure off industry, an equity rally may also look logical. It remains only to shrug off the inevitable Left-wing speeches about "obscene City profits," and get on with the game.

Inappropriate

As a statement of generalities, this might just pass muster; but in the particular circumstances of 1980, the habitual patterns may turn out to be inappropriate. What threatens, after all, is no ordinary recession. Every sign points to an experience more painful than those we have endured in recent years. Unemployment is reaching new peaks as closure follows closure.

The list of industries in more or less acute difficulty becomes longer—steel, motors and components, printing, hotels, confectionery, toys, textiles, chemicals, property development—there is far more involved here than the pressure of foreign competition. In the private house market, the building societies have stopped complaining about the low inflow of new funds; the inflow of mortgage applications has fallen still faster. Manufacturers, retailers and the man in the street are all battening down for trouble.

In these circumstances there does seem to be an element of fantasy in the markets, and it is worth considering how they can have become so far out of tune with the real economy, and how far indeed they may be helping to deepen that trouble. The gilts market is at the centre of the story, as it is at the centre of the market rally.

Usual routine

"Controlling the money supply" sounds like a simple act of discipline, but in fact it can be achieved by three radically different routes. The Government can reduce its own need to borrow (for it must be remembered that the act of borrowing from the banking system is what creates money): or interest rates can be raised high enough to choke off the private demand for credit, as was achieved so dramatically in the U.S. in the spring: or the Government can finance its excesses through long-term borrowing. In Britain long funding is often crucial.

It has proved crucial again in the present crisis, because the Government has so far been unable to cut its spending—as the latest GDP figures confirm—and has been reluctant to raise short interest rates to the agony level, where they would exceed the rate of inflation by a substantial margin. Instead of a crunch and a quick turnround, we are still going through the usual protracted regime of offsetting the forces of inflation—whether excessive wage settlements or excessive Government spending, or the combination of the two called a Clegg award—by the seemingly irrelevant method of selling long term investments to pension funds. In the past, these methods have served their turn: but in an oil-producing economy in a world moving into recession, they are leading to some odd results. Government stocks are attracting foreign investors in large numbers, so that a measure meant to make money tight is keeping the market liquid. The pound is driven up too.

Change course

As a technical exercise in stock placement, the operation has been a triumphant success: the market is so eager that it swallowed the news of another £1.6bn of stock yesterday without so much as a hiccup. The Bank of England has even been sufficiently encouraged to put a complacent gloss on the apparently bad money supply figures for May. That was just a statistical freak before the heavy funding started. Meanwhile domestic fund managers, with portfolios overloaded with Government stock through many years of funding, have taken the appearance of foreign buyers as a chance to diversify into UK equities. It takes more than the abolition of exchange controls to alter the habits of a lifetime.

Economically, the results do not look so satisfactory. The extra boost to sterling is bad news north of Watford. Taxpayers to the year 2000 will be finding £130m annually to service the new long tap—one more year, and we could make our usual remarks about the 21st century. Every new issue prolongs the opportunity for overseas investors to take large profits across the exchanges in some future year; and the whole complex of financial forces which is driving the market up is meanwhile helping to hamper the economy upon which the market rests. Happily the Government at least has seen the need to change course, and to check its own spending even at the expense of top people. Only this can bring to an end the destructive financial round-dance which seems to pass in Britain for monetary control.

1980 COMPANIES ACT IN FORCE FROM MONDAY

It's two years inside for the inside dealer

BY IAN RODGER

STARTING from Monday, anyone who buys or sells shares based on important "inside" information will be committing a criminal offence.

The penalties on conviction will range up to two years in jail and an unlimited fine.

In some ways, these provisions of the 1980 Companies Act are as startling and Draconian as they sound. No one, from the company chairman's secretary's husband to the banker's chauffeur's son, will be exempt. It will be as criminal knowingly to give a hot inside tip as to act on one.

However, the Government expects few convictions and the Stock Exchange is still working out with the Department of Trade how to enforce the new legislation. Two groups of professionals vulnerable to its sanctions — directors and securities analysts—have just begun to think about behaviour guidelines and others may not yet realise that they could be affected.

Insider trading is a slippery subject. In its most blatant forms, it is easy to understand and universally condemned. It comes to light most obviously during takeover bids because these are among the events most likely to have a substantial effect on share prices and so are the most tempting for an insider. As the most outstanding example, a senior executive is caught buying shares in his company when he knows it is about to be taken over but before a public announcement has been made. Then, after the public announcement, the shares rise in value and he sells at a profit.

Many cases, however, are difficult to judge.

On Thursday morning this week, for example, a flurry of activity in the shares of Selection Trust preceded the announcement by British Petroleum of a bid approach to the company. As usual in such cases the Stock Exchange is looking into the price movement but it could well conclude that nothing illegal happened. A shrewd market observer may have spotted signs of something happening because a clerk or messenger inadvertently dropped a key clue.

"A lot of secrets simply can't be kept," Mr. Peter Frazer, deputy director general of the Takeover Panel, says. "The job of the regulatory authority is to ensure that there is timely disclosure. That is often difficult to judge and a company is not always going to get it right."

Whatever the subtleties, the public probably retains the impression that the ordinary investor cannot get the same opportunities in the market as an insider.

The securities industry has been concerned about insider abuses at least since the takeover spree of the late 1960s when the City seemed to be a playground for sharp operators making fortunes on tips about who was going to bid next for whom. The Stock Exchange soon realised, however, that it was hampered in its ability to pursue wrongdoing by its status as a private club of brokers with no authority over non-members, including private investors.

In 1973, together with the Takeover Panel, it asked the Government to make insider trading a criminal offence and suggested some definitions and methods. The subject proved more controversial than expected and the Conservative Government was defeated before its Bill became law. A similar fate befell a Labour Bill drafted in 1978. The current legislation has had a smoother ride and seems more widely accepted.

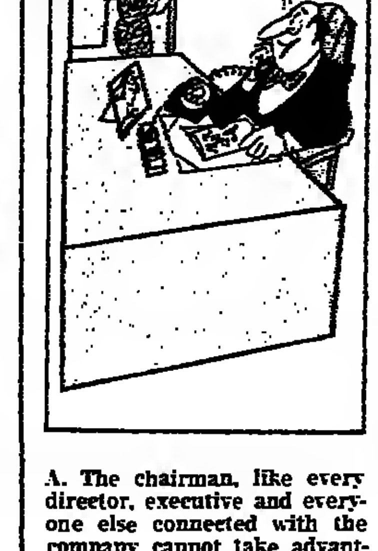
FOUR TEST CASES

The Board of Wonder Widgets Ltd. has decided to make a takeover bid for Magic Marbles Ltd. but has not yet made a public announcement. Which of the actions by the figures illustrated here would be illegal under legislation that comes into effect on Monday? Here are the answers (A) to four different situations (S).

S. Magic Marbles' Boardroom tea lady to a friend. "Isn't it marvellous? Wonder Widgets is taking us over and we're moving into their beautiful office in Milton Keynes."

A. Although passing on information likely to have an effect on Magic Marbles' share price, the tea lady is not liable to prosecution because she obviously does not know that the information is sensitive. However, if her friend, appreciating the potential value of the information, purchases shares, she is liable.

S. (Magic Marbles chairman on phone to broker) "Buy me 100,000 shares of Magic Marbles."



A. The chairman, like every director, executive and everyone else connected with the company cannot take advantage of inside information he knows to be price sensitive. If he does, he is liable.

S. (Chairman's secretary to her tennis partner, winking and nodding) "Magic Marbles shares would be a good bet."

A. The chairman's secretary or anyone connected with the company may not counsel anyone else to deal in the company's shares at a time when she herself, by virtue of her position and knowledge, is forbidden to do so. If her friend buys shares on the basis of such counsel, she is certainly liable in principle. But as one MP noted in committee debate, there is no formal definition of a wink and a nod. Is it "specific" information "likely materially to affect the price?"

S. (Printer making up the takeover bid circular for Magic Marbles) "Hey, this looks like a good buy."

A. The printer, like any officer or employee of a related company or one in a professional or business relationship with Magic Marbles, is liable.

Most directors will be safe most of the time

Briefly, the law says that anyone who has unpublished specific information about a company likely to have a material effect on the price of its shares, and who realises that the information is price-sensitive, may not use it as a basis for buying or selling shares regardless of how he got it. Moreover, he may not tip others to use it.

While that may sound comprehensive, it is intended nevertheless to leave the way open for many insiders, such as directors, to trade legitimately in their companies' shares and for securities analysts to pursue their sleuthing without fear of prosecution.

The Government argues that since the information has to be specific and important enough to cause the shares to move, most directors will be safe most of the time.

"I do not believe that directors of businesses on a daily basis are in possession of information which, if known, would move the price mountain," Mr. Cecil Parkinson, Minister for Trade, said in committee last December.

The problem in some cases, Mr. Walter Goldsmith, director-general of the Institute of Directors, replies, is that "you don't know until the information becomes public whether it will have an impact on the shares."

Directors' share trading is already significantly restricted by the Stock Exchange's model code for securities transactions by them. For example it excludes trading in the two months before announcements of interim and year end results.

As for analysts, there is the famous story, probably apocryphal, of the one who stood outside the factory door counting the cars as they came off the assembly line and thereby acquired the unpublished information that the company was in deep trouble.

Under this law, the analyst would be innocent because no one tipped him. Another potential problem area occurs if the analyst, by asking a company questions, acquires a number of pieces of information which, taken alone, are not price-sensitive but which permit him to deduce a fact which is sensitive. The investigating authorities would probably take the view that he is innocent here too because he created the information himself.

Other groups, such as public relations consultants and journalists, who may from time to time acquire inside information about companies, may have to be more careful. A journalist would normally receive such information on the understanding that he publish it and, of course, once he has published it, there is no longer any liability on any share trading he might do. However, any purchases or sales of shares before publication would implicate all tippers and tippees.

Securities analysts fear that companies will become more circumspect in answering analysts' questions because of fears of divulging inside information.

"The great danger is that companies will tend to clam up." Mr. Richard Allen, chairman of the Society of Investment Analysts, says. "If that happens, then the importance of inside information as opposed to professional analysis will grow again in the market."

Most large companies dismiss these fears, noting that they are already bound by the Stock Exchange's very strict rules on fair disclosure of information.

Mr. Maurice Epstein, chief accountant at Marks and Spencer, said there would be no change in the company's procedures with analysts.

Problems are more likely to arise with very small companies, particularly those whose shares are traded in unlisted markets under Stock Exchange Rule 163. These companies and their directors are not bound by the Stock Exchange code and there is no surveillance of trading. Some sponsoring brokers and merchant banks have obliged their companies to agree to behaviour codes similar to that of the Exchange but admit they have little power to enforce them.

"All we can do is resign as advisers," Sir Timothy Barford, a managing director of Singer and Friedlander, says.

Enforcement of the legislation is still to be worked out. The law provides that proceedings can be instituted only by the Secretary of State for Trade or the Director of Public Prosecutions. Neither the police nor private citizens may initiate proceedings.

In practice, the Department of Trade will investigate any case that comes to its attention and it considers worthy of investigation. However, it will have to rely on the Stock Exchange and other market makers for precise data on trading activity and probably some guidance on the meaning of certain price movements.

The Stock Exchange has decided, subject to the approval of its council next Wednesday, to continue its present practice of monitoring unusual price movements. It does about 2,000 of these a year. Of these, about 50 a year require further investigation among jobbers and brokers. Henceforth, the Stock Exchange proposes to pass on the results of these investigations to the Department of Trade if it thinks the circumstances warrant it.

In some cases, both the Exchange and the department may be investigating the same case but communications between the two are expected to be close. For its part the Takeover Panel does not expect to continue any investigation on a matter referred to the Trade Department, not least because those being investigated under criminal provisions would be unlikely to co-operate.

Whatever happens, a number of categories of wrongdoing in securities markets will not be covered by this legislation. Share transactions made privately—that is, not through the Stock Exchange—will not be covered by the law's provisions although an aggrieved party in such a face-to-face deal might be able to proceed under the law of contract. Trading in advance of anticipated movement in the price of a share because of market, as opposed to company, information is not covered.

There are crooks who are insiders and there always will be

The legislation outlaws dealings designed to hide the identity of the dealer, whether through a nominee company or a Swiss bank, but no one is under any illusion that this sort of practice will be curtailed.

"There are one or two crooks who are insiders and there always will be," Mr. David Hopkinson, chairman of M and G Group, unit trust managers, says.

Nor should anyone expect a rush of prosecutions.

"We are not seeking a chance to fill the courts with a flood of insiders," Mr. Parkinson said in December. "We are trying to demonstrate to people who are contemplating becoming insider (traders) that there is a high price to be paid if they do."

Letters to the Editor

Credit

From Mr. L. Trimby

Sir,—May I suggest that we should bear in mind the radical difference in operation between the personal, private and public sectors of the economy.

In the personal sector, we must needs earn before we spend. If we spend more than we earn, we become bankrupt. In the private commercial and industrial sectors, we must buy labour and materials before we can earn from sales. The exact reverse. If the private sector is to grow, credit should be cheap and plentiful. The market will determine the prices obtainable. The firm that spends more than it earns will face liquidation.

In the public sector, the Government determines its needs. It raises such taxes and levies as it deems politically and economically desirable and borrows the balance. If the borrowing requirement is in excess of domestic savings, money must either be borrowed externally or printed—stimulating inflation.

In short credit (money supply) is only the oil lubricating the economic engine, it is not the engine itself. The prosperity of an economy is a function of the speed of circulation of the money supply. Restrict credit, let the oil dry up and cease to circulate and the engine will seize up.

Precisely what is happening today.

Larry Trimby.
26 South Cliff,
Bexhill-on-Sea, Sussex.

Cigarettes

From Dr. G. Myddelton.

Sir,—The statement by the director of "Action on Smoking and Health" (June 14) that nearly 95,000 deaths per annum are "solely attributable to smoking" could be misleading.

The only information available in England about actual causes of death is published by the Registrar-General and derived from death certificates. Smoking is not one of the causes listed. This purely fictitious figure of 95,000 has been calculated, like every other figure produced for the purpose of anti-smoking propaganda, from the differing mortality rates found for smokers and non-smokers in the various surveys which have been made.

By making the questionable assumption that the person who has never smoked at all has a "normal" mortality rate, it is argued that every death among smokers in excess of this has been caused by smoking. Only cigarettes are associated with this higher death rate, pipe and cigar smoking make no appreciable difference.

Until it can be shown that the non-smokers are comparable in all other respects to the smokers, that they are of the same economic class, educational standard, physical and psychological types, and that they all eat the same amount and kind of food and drink, live the same sort of life and have the same income (after the actual cost of tobacco has been deducted), then the argument that smoking cigarettes has caused an increased death rate is completely invalid. These other possible factors have not been investigated in smoking surveys, or if they have the results have not been published, so until a statistically sound research project has been carried out we shall never know the answer.

(Dr.) Geoffrey Myddelton.
Blue Moon,
1867 Glutières-sur-Ollon,
Vaud, Switzerland.

Appeasement

From Mr. C. Metliss.

Sir,—I am distressed to see evidence in your editorial on the EEC (June 16) of your newspaper's surrender to the current double talk, which is clearly shown in the general press, regarding the statement on the Middle East. On the one hand, you say "the world will not conveniently stand still over four years while the U.S. elects a new President," but you quite happily refer to the fact that "little can be achieved before the French Presidential election next Spring." You appear to be quite happy in criticising the Americans while accepting the French situation.

Similarly, you are ready to advise the present Israeli Government that it must accept the EEC appeasement of the Arabs "whether it likes it or not," without having regard to the fundamental issue for the Israeli Government which is that it cannot, and will not, negotiate with an organisation which does not accept its existence and whose every statement has been an uncompromising rejection of any form of negotiation. To suggest that the European initiative will not necessarily undermine the Camp David negotiations is wishful thinking on your part and is not accepted by either the U.S. or Egypt. It is ironic that the Palestine Liberation Organisation have rejected the EEC initiative as not going far enough, and only proves that Western Europe's present subservience in its own interests of oil and trade will please nobody by its appeasement.

Cyril Metliss.
25 Foscote Road, NW4.

Responsibility

From the Secretary,
Macclesfield Borough Council Labour Group

Sir, — Mr. Victor Robson, chairman and managing director of Robson Cotterell, is reported in your columns (June 17) as stating that brokers should refuse to place loans with local authorities who do not act "responsibly" in limiting their expenditure and, therefore, rates.

In making his ideological position clear, Mr. Robson illustrates where real political power lies in this country. Whether a local authority increases its expenditure or not is, in a truly democratic society, the prerogative of elected councillors, answerable to their electorate. It is not the prerogative of Mr. Robson to state whether a local authority is acting "responsibly" or "irresponsibly" in this respect. The role of any broker is merely to exercise his professional judgement in obtaining the best return on capital and safeguarding the interests of his clients. His role does not extend to deciding whether local authorities should support one set of political judgements or another.

By deciding that local authorities should follow the road of "monetarism" as opposed to that of Keynes, to put the matter simply, is Mr. Robson setting himself up to dictate to local authorities?

(Cllr.) David Whalley.
4 Melkshom Close,
Macclesfield, Cheshire.

Re-selections

From Mr. P. Strickland

Sir,—I refer to Richard Evans's article of June 17 concerning the decision of Mr. Sam Silkin not to seek re-election to Parliament.

There have been complaints about "an upsurge in the power and influence of Left-wing activists in Labour constituencies" since at least the early 1950s. Current moves for effective arrangements to "re-select" MPs are not an "upsurge" but an attempt to correct their extraordinarily privileged position. Under the old rules, which still apply because of legalistic difficulties in applying the amendments carried at last year's annual conference, it is virtually impossible for a constituency Labour Party to choose another Parliamentary candidate even when the sitting Member no longer commands their confidence.

Not only Right-wing MPs fall out with their local parties. You may recall that Left-wingers such as Mr. K. McNamara have also experienced difficulties.

There is nothing unreasonable in a constituency Party wanting to choose another Parliamentary candidate instead of the sitting MP. MPs have no divine right to be readopted. The people in the local party who have to do the hard work of canvassing, leaflet distribution and other chores necessary to win an election have a right to a candidate in whom they have confidence.

I know little of the specific arguments at Dulwich, but not only Left-wingers find themselves opposing Mr. Silkin. Mr. Evans mentioned his role in the attempt to suppress the Crossman diaries. Mr. Sam Silkin's connivance in jury vetting and his involvement in the "ABC" trial would cost him the support of anyone seriously interested in civil liberties.

Peter Strickland.
33, Hunter Road, Ilford, Essex.

Concerts

From The Controller, Music, BBC.

Sir,—May I comment on Mr. Pirouet's letter (June 14) about the BBC's orchestral cuts.

He made the point that the BBC Symphony Orchestra used to play a higher proportion of the Promenade Concerts. That is true. But not only do our regional orchestras now play more than in the past but also the Symphony Orchestra gives more taxing programmes—and, dare I say it, they are better rehearsed. Moreover we are concerned to see that the Symphony Orchestra's members are not required to work under a degree of pressure which might jeopardise their standards.

Our ticket prices have not, with respect, increased faster than inflation. Indeed the cheapest tickets have by no means kept pace with it. And as regards the prospectus it is certainly not "extremely extravagant." It is larger—yes—and more informative. It also carries more advertisement and this enables us to keep the price down to a very modest 80p.

On the question of repeats Mr. Pirouet's memory goes back to a period when concerts were repeated on another channel—something which our present editorial policy does not readily allow.

Finally, "Recent Controllers of Music . . . have given the impression of forever striving to outdo themselves regardless of cost." I don't know how Sir William Glock and I (who together span 20 recent years) have inadvertently given this impression. We are neither of us by nature flamboyant tearaways. But we are interested in courageous programme-building within a firmly controlled budget.

Robert Ponsonby,
British Broadcasting Corporation, Yalding House,
156 Great Portland Street, W.1

Subsidies

From Mr. D. Watson

Sir,—I was amused to read your forthright call (June 18) for massively increased subsidies to public transport in London, in view of the general emphasis in your editorial comment of the need for the acceptance of the disciplines of the market.

It seems that for you, as for most people, it is only the other man's subsidy which is bringing the country to ruin. In view of the higher average incomes and wealth of the inhabitants of London, especially of those who travel long distances to work, it is clear that subsidies to public transport in the London area, whether to British Rail's commuter services or to those run by the London Transport Executive, are yet another example of transferring benefits from the relatively poor to the better off. The case might be different if your suggestion were that ratepayers of Greater London Council were to foot the bill, but you do not say so, and I suspect that such will not be the outcome, when the subsidies are increased, as, no doubt, they will be.

D. R. Watson.
6 Prospect Place,
Dundee, Scotland.

POLITICS TODAY: THE LABOUR PARTY

A shambles but not yet a disaster

WHATEVER else may be said about the Labour Party, it is still capable of producing surprises.

Who would have guessed this time last week that Mr. James Callaghan was about to accept a *proposal for a wholly new concept* of an electoral college with power to elect the party leader and to control the party manifesto? Certainly not Mr. Callaghan. He apparently first heard of the idea from the trades unions at two o'clock *last Sunday* afternoon. Yet by the early evening he had endorsed it.

The party has been arguing about the Bishop's Stortford formula, compromise or sell-out (call it what you will, depending on your point of view) all week. It is, of course, a shambles. The proposal had not been previously discussed. It had not been thought out and nobody knows how, or if, it will work. For a party that is supposed to *be conducting a serious inquiry* into its future organisation, it is an extraordinary way to behave.

The most interesting political fact, however, is that the proposal is under attack from both *Left* and Right. It is also by no means certain that the electoral college will become part of the party's constitution.

It would be tn much to say that nothing bas changed as a result of Bishop's Stortford. The mood of the bulk of the parliamentary party has become yet more depressed. Mr. *Callaghan* would find it more difficult to stay on as party leader beyond the autumn, if he were to try. There has been a certain loss of nerve on the right wing and a growing beliaf that the moderates must make a stand somewhere. The thought is abroad that Mr. Callaghan is leading them downhill.

Mr. James Callaghan and Ms Joan Lestor at the Labour *Party Commission of Inquiry at Bishop's Stortford.*

Yet the Left too is unhappy. There ia no reason tn believe that an electoral college, if established, would favour the forces of Mr. Anthony Wedgwood Benn. The idea that the college should have some control over the manifesto, never before suggested, is anathema and has caught the Left tactically unprepared.

Measuring the discomfiture of the Right against the discomfiture of the Left, it would seem that the balance of forces remains pretty well unaltered.

Mr. Callaghan and his depnty, Mr. Michael Foot, hava heen telling the parliamentary party this week that they accepted the trades unions' proposal for an electoral college because they did not want to risk antagonising the unions before the party conference in the autumn. At that time, union support for the Right will be essential if the Left is to be defeated.

In any case Mr. Callaghan argues, maybe the college is not such a bad idea. The prohlems concern the mechanics. There *appear to be two alternative* positions bere, hoth of which suggest that Bishop's Stortford *was more of e tactical* retreat than a sell-out. The first is that the college could be constructed so as to tilt the balance against the left. The second is that the construction of the college could turn out tn he such a complicated exercise that the trades unions will abandon their own idea and vote at the party conference for the maintenance of the *status quo*, which is what Mr. Callaghan and most of the parliamantary party wanted in the first place.

The only rule about the college that has been agreed so far is that 50 per cent of the membership should come from the parliamentary party, 25 p er cent from the trades unions, 20 per cent from the constituency parties and the remaining 5 per cent from socialist societies such as the Fabians.

The size of the college bas not been decided, thongh tha general assumption is that, for the sake of arithmetical convenience, it will be 100. There are at present 268 Lahour MPs only 50 of whom, if the figure of 100 is accepted, could belong to the college. The question then arises of bow those 50 would be chosen and what would be their freedom of action.

Again, the assumption is that they would bave to represent the parliamentary party as a whole where the halance is heavily tilted in favour of the *Right and centre. If the Labour* Party in Parliament wanted to elect (say) Mr. Denis Healey as leader, it would have its own prior election or primary, then mandate its delegates to the college to vote accordingly.

At the very least, there would have to he a system whereby the votes of the caucus reflected the votes of the parliamentary party. If the PLP voted (say) 60 per cent for Mr. Healey and 40 per cent for Mr. John Silkin, the parliamentary delegation to the college would have to split the same way. All that might make Labour politics more like an American party convention, hut it is bard to see how it would automatically favonr the Left. That is one of the reasons wby the Left is unhappy.

Measuring the discomfiture of the Right against the discomfiture of the Left, it would seem that the balance of forces remains pretty well unaltered

If the husiness of choosing parliamentary delegates to the college seems complicated, that nf choosing the rest of them seems even more so. How do you pick the 25 trades unionists and the 20 representatives of the constituency parties, and wbat would he their mandate? There would have to be all sorts of prior conventions.

Tha idea is not so much bad (in theory is seems to me to be rather good) as wildly impractical. It would not be surprising to see it abandoned as the impracticalities hecome more obvious, especially to the trades unions. Mr. Michael Foot, who is beading the subcommittee on its implementation, should have no difficulty in showing that it will not work. All he has tn do is to raise practical questions while seeming to be in favour of reform.

There is this much to be said for Mr. Callaghan. He bas not surrendered to the Left, nor does the Left believe be has. Yet the parliamentary party has still to be convinced. The *charge against him is thet he* is abandoning the principle of parliamentary democracy—by which is meant the right of the parliamentary party to choose its own leader and to have a large say in party policy—to outsiders.

There are very prominent Lahour MPs who accept the argument that the establishment of an electoral college would not necessarily mean a victory for the Left. They believe that the college, if it existed, could usually be squared or rigged in favour of the moderates. What they quarrel with *is* the *idea* of surrendering any more power to the party outside Parliament. They believe that the stand against the erosion of parliamentary democracy should bave been made earlier.

The more telling charge against Mr. Callaghan is that while the constitutional wrangles continue, party policy is slipping further and further to the Left. Defence is the most obvious example. Labour is becoming identified as the party of unilateral disarmament and even neutralism. The rally in Hyde Park *on* Sunday against the deployment of cruise missiles in Britain will further make the point. That is what the Left wants. Yet it is doubtful whether either the bulk of the parliamentary party or the majority of Lahour voters are anti-NATO or anti-defence. Mr. Callaghan certainly is not, bnt he no longer appears to say so *very strongly*.

The position of Mr. William Rodgers, one of the most outspoken Right-wingers in the party who also happens to be shadow Defence Secretary, is becoming increasingly difficult. Not *surprisingly*, Mr. *Rodgers* has gone further than any other member of the shadow cabinet in criticising the Bishop'a Stortford agreement in public.

It is also quite striking, however, that certain other key members have remained silent: Mr. Denis Healey, for example. As Mr. Callaghan's friends are pointing out, the Right and Centre of the party may be unhappy and muttering about the need to take a stand, hut they *have been unable to produce an* alternative strategy. As far as Mr. Healey's position is concerned, the view in the Callaghan camp is that nothing bas changed. He remains the putative successor.

Mr. Callaghan's approach can he summed up as relying on the hlock votes of the unions to defeat the Left at the conference in October. It is not very satisfactory and it is not surprising that the parliamentary party should be feeling demoralised. Nor can success be entirely assured. But in the time available it inoks like being the only approach left. Mr. Callaghan clearly hopes that after October the quarrels will die down, though it has to be said that the Left shows no sign of giving in and appears to be uninterested in compromise.

The Callaghan strategy will be vindicated (a) if the unions allow him to win and (b) if he resigns shortly afterwards. For what has become increasingly clear in the last few weeks is that his capital in the parliamentary party is running out. The most that he can be expected to deliver is a return to the constitutional *status quo* by *means of a deal that depends* oo the union block votes.

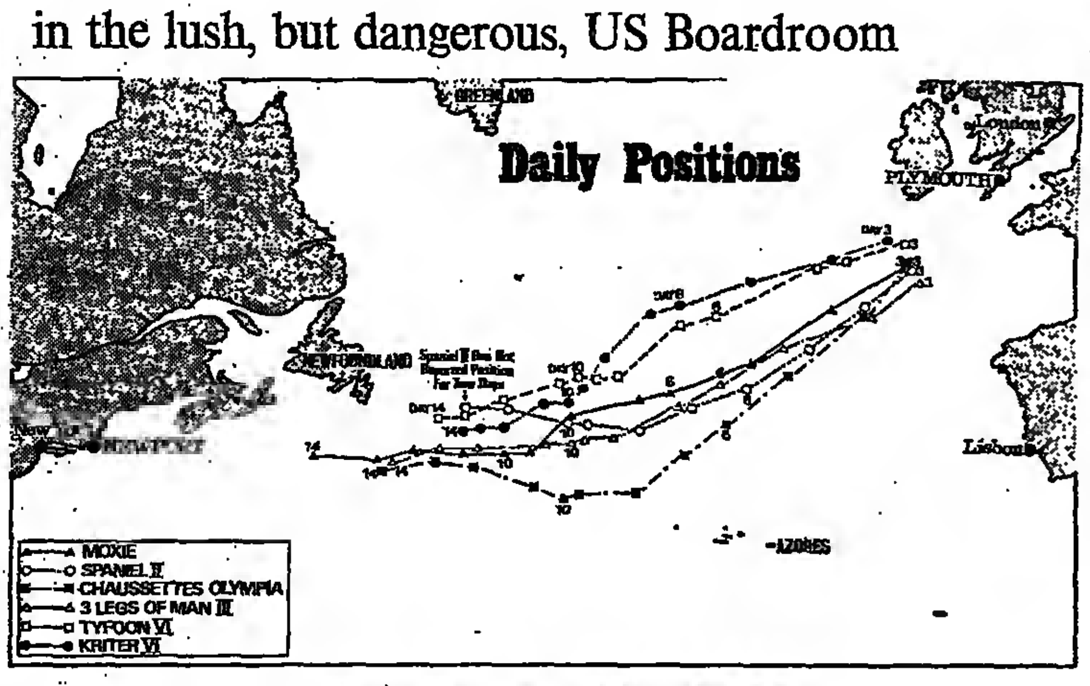
Such an achievement should not be underestimated. It is more than looked possible for much of this year. But by then it *will* be time to look to the future under a new leader. It will also be time to balt the slide to the *Left* in party policy. By the end of this week the indications were that the hulk of Labonr MPs were overcoming the shock of the Bishop's Stortford meeting and, fnr want of any alternatives, were beginning to give Mr. Callaghan the benefit of the doubt.

My own view is that be has already made up his mind to go. But *whether* he will depart in triumph, disaster or something io between will depend on what happens at the conference in October. Until then the Labour Party will go on living in a state of almost unbearable tension.

Malcolm Rutherford

Weekend Brief

The youthful 65-year-old who is showing a clean pair of heels to the rivals . . . life in the lush, but dangerous, US Boardroom



The race to Newport: how Moxie slowly moved ahead

Coast to coast

PHILIP WELD, at 65 the oldest man in the race, is now so far ahead of his nearest rivals in the Observer Singlehanded Race that only a severe accident to *him* or *his* boat can rob him of a magnificent and extremely popular victory.

Yesterday morning, Weld and his 51-foot trimaran Moxie still had 690 miles of the race to complete. Nearly 300 miles behind him, and in close contention were another American, Walter Greene in his 35-foot trimaran Chaussettes Olympia, *and the leading British* contestant Nick Keig in Three Legs of Mann. Somewbere in there but no longer reporting *his* position, was the leading monohull, the Polish yacbt Spaniel II, sailed by Kazimierz Jaworski.

This afternoon, the singlehanders will all have been at sea for precisely two weeks. If all goes well, Moxie will probably finish on Monday or Tuesday, depending on the strength and direction of the winds over the weekend. The *one* near-certainty is that one of the leaders will break the eight-year-old course record of 20 days 13 hours 15 minutes set in 1972 by Alain Colas in the trimaran Pen Duick IV.

A victory for Weld would be a victory for tireless persistence, bubbling enthusiasm and an approach to the race which in itself is going to revolutionise all future competitors.

Until a *few* years ago, Weld *was publisher and owner of* a chain of New England newspapers (since sold to Dow Jones). *Even before he sold* out he was spending more and more of his time sailing and racing trimarans.

It was when he was still in his early 50s that Weld got the bug and found himself drawn by the dream of winning the Singlehanded Transatlantic race. He took delivery of his first racing trimaran in 1970, *and sailed his first transatlantic* race in 1972. In that year, damage to his boat caused him to put in a relatively poor time In 1976, he capsized on his way over to the start, and spent several days living inside an upturned boat.

In the past 12 years, he has had built for him four large trimarans, and during the period between his capsize and the building of his next hoat *he bought a second hand one* just so that he could keep on sailing.

As Weld has learned the lessons of each new boat, so he has *adapted every new* design to his growing age, even if he is the kind of 65-year old who puts most 50-year olds to shame. Moxie has been designed to use up a little energy as possible while maintaining maximum speed towards Newport.

Take, for example, Moxie's sail plan. For the last two weeks most of Weld's competitors have been changing foresails and reefing and unreefing mainsails every time the wind has changed strength. Not Weld.

To rednce sail in his foretriangle, he just pulls on a line that leads back to his cockpit, and the foresail rolls itself *around* the forestay. He does exactly the same with bis "stowaway" mainsail. The main*sail rolls itself* round a wire inside his mast. No reefing, no sailchanging.

Weld first turned up with a "roll-up" jih for the 1974 Round Britain Race, and the purists pooh-poohed it. The shape of the rolled up sail would be so *inferior* that he would never be able to make his boat go in a hreeze, they all said confidently. *Weld finished the race third*, just a few hours behind the leading boat, and has been rolling up his jibs ever since. The stowaway main is a new idea for this OSTAR.

He has an equally practical attitude to equipment damage. While Nick Keig has been losing ground during the past few days while he repaired a damaged *mainsail*, Weld's solution is to carry a brand new spare for every (eqnally brand new) *sail* in his wardrobe. He has no less than four "spare" electric self-steering gears. It is *a rich man's approach* to *trans*atlantic racing. But, as Weld explains self-deprecatingly, he can't sew and he can't understand electronics, he's too old to start learning now, and besides, why waste all that time?

The race itself quickly developed into the traditional strategic hattle between those choosing the "*direct*" or northern great circle route and those who chose the warmer and less windy option further south. (The chart is a "gnomonic" *chart, which* means that a great circle is represented by a straight line.)

All that *rain* and *high wind* that has been spoiling our weekends for the past ten days had first passed over the transatlantic fleet in mid-Atlantic. *The tracks of the fleet show* clearly the days when the lows passed over and their progress was rednced to almost nothing by headwinds. The two principal French contenders, Gauloises IV and VSD, both spent several days in the lead before sustaining structural damage, while Nick Keig of Britain has been badly slowed hy a torn mainsail.

Whenever the winds have hlown hard, the big monohulls, led by the Polish Spaniel, the Belgian Tyfoon and the French Kriter, have caught up with the leaders. Whenever they have slackened, the trimarans, the greyhounds of ocean racing, have bounded ahead again.

Now, with the calmer waters of the U.S. continental shelf in sight, a trimaran seems certain *to win the race*. The *biggest* danger for Philip Weld and all the other competitors as they approach the finish is the fog, which engulfs both the sailing boats and the coastal shipping and fishing fleets through which they are passing. It would he a cruel stroke of fate if the race was to be taken away from Weld now. Nevertheless, the *last 500 damp and* foggy miles are the most exhansting and difficult of the wbole race.

Tough at the top

Even the hardest corporate hearts in New York fluttered a bit when the news broke that Maurice Valente had been fired from the presidency of RCA after only six months in the job. It was not so much tha dismissal which stirred emotions—tnp American husinessmen, at least in the *more aggressive* companies, know they risk losing their highly paid jobs—as the way in which it was announced.

Normally executives leave after a "policy difference" or "to pursne other business *interests.*" *In Valente's case*, Edgar Griffiths, the no-nonsense chairman of RCA simply announced that Valente was not good enough.

So they fall, but at least Valente takes with him the usual golden casket of benefits *which no top American* executive today would dream of leaving out of his contract.

For Valente, the payoff is ahout $1.8m, made np of his $400,000 e year salary for the rest of his three year contract, incentive payments and an additional $400,000 protection payment in the event of the event which took place on Thursday.

Valente's departure is also a reminder that there seem to be certain high risk companies in U.S. *business* from the point of view of executive job security. International Telephone and Telegraph, where Valente came from, has had three chief executives inside four years.

The last ITT bos to get the boot was Lyman C. Hamilton, who had lasted just 18 months. Hamilton left in July last year and bas since been seen in New York trying tn create, from scratch, a rival conglomerate, Tamco Enterprises. But he too need not worry about money, as be'll be on ITT's payroll to the tune of $470,000 per annum until "at least May 1983." His role, says ITT, is "advisory." Another high wire job is the presidency of CBS, the records and electronics gronp. Two *presidents* there *heve* lost their jobs in the last six years under the rod of the 78 year old *William Paley*.

Paley went to bead hunters Heidrich and Struggles just like RCA—to find presidents Arthur Taylor and John Backe. Although each was credited hy outsiders with suhstantial achievement inside the com*pany, that did not stop* Paley throwing them out. Taylor left with a severance deal worth *$650,000*. When Backe went four years later, inflation took his settlement to $1m.

But the dnbious accolade of highest risk job of all in U.S. business *must* gn *to* the *Ford* Motor presidency, where the perfect conditions for abrupt departures were created *by* the fact that Ford was run for most of its *life* hy the Ford family, which still owns around 40 per cent of the company's voting shares.

The company was a place where Henry Ford 1 and Henry Ford 2 hoth really did have the reputation of firing top men just *because* they didn't like their new suit. Exaggerated, of course, but the mortality rate among presidents and other top executives has been astonishingly high. Henry 2 had four presidents in the 1960s alone.

The most celebated departure from the Ford presidency, however, came later, when Lee Iacocca was removed, in 1978.

As chairman of Chrysler, whatever its problems, Iacocca *now* bas a shot at *beating* Ford. he also, in addition to the $700,000 he picked up in the period around his departure, has a Ford income of $178,500 a year for the next ten years, when he reaches retiring age and $175,000-year thereafter.

Contributors:
David Palmer
Ian Hargreaves

Economic Diary

TO-DAY—Mr. Mark Carlisle, Secretary for Education, eddresses confereoce on Educatioo in a Changing World, Central Hall, Westminster.

TOMORROW—Leaders of seven major industrialised nations meet for two-day World Ecooomic Summit, Venice. Department for Natiooal Savings monthly progress report (May).

MONDAY—Industrial Trends Survey by Confederation of British Industry (June). Retail sales (May provisional). New vehicle registrations (May). "Insider sbare dealings" provisions of Companies Act comes into force.

TUESDAY—Unemployment and unfilled vacancies (June provisional). Confederation of Shiphuilding and Engineering Unions conference opens, Winter Gardens, Llandudno. EEC Transport Council meets, Luxembourg.

WEDNESDAY—Trades Union Congress general council meeting, Congress House, London. Puhlication of report of the Committee to Review the Functioning of Financial Institutions (Wilson Report). Mr. James Callaghan, Labour Party Leader, officially opens new head office of the Party at 150, Walworth Road, London, SE17.

THURSDAY—Glasgow Central hy-election. Association of District Councils conference opens, Eastbourne. European Parliament two-day speciel budget session opens in Luxemhourg. Energy Trends publication. First quarter figures for manufacturers' and distributors' stocks and capital expenditure by the manufacturing, distributive and service industries. Department of Employment Gazette will include stoppages of work due to industrial disputes (May); overtime and short-time working in manufacturing indnstries (April); employment in the production industries (April); and unemployment and unfilled vacancies (May-final).

FRIDAY—Mr. Michael Heseltine, Environment Secretary, addresses final session of Association of District Councils conference, Eastbourne. Publication of Sir Henry Fisher working party report into self-regulation at Lloyd's. EEC Ednca tion Council meeting, Brussels. Sales and orders in the engineering industries (Marcb). Car and commercial vehicle production (May final).

Wedgwood profit hit by strong £ and inflation

A FALL of some £1m to £1.25m in the fourth quarter meant that Wedgwood, the china and earthenware group, finished the year ended March 29, 1980, with pre-tax profits 32 per cent lower at £5.81m, against £8.55m. Sales rose by 15 per cent to £96.66m.

Nine months profits were down from £6.28m to £4.56m, and the directors said they expected fourth quarter results to be somewhat, but not drastically, worse than last time.

They now say that, despite the good sales performance, full-year profits were hit by inflation and the overvalued pound, supported by record interest rates. Together, these inflict severe damage on manufacturing exporters, particularly those with an expansionist policy leading to increased borrowings in the short term, they add.

Taxable profits for 1979-80 were struck after a jump in interest from £1.02m to £2.26m and an exceptional trading loss of £0.64m at the group's Irish crystal factory.

A further sales increase is projected in the current year and this should enable the group to hold present profit levels provided economies are effected, the directors say. They hope these will not be necessary "on a scale which will create difficulties in maintaining the group's present prominent overseas trading position."

Sales in the EEC have increased by more than 25 per cent a year in each of the last two years, they say. Despite the strong pound, trade in the U.S., Canada, Japan and the Middle East also continues to grow, although it is far less profitable.

The home market, however, was less buoyant, and the overvalued pound is now exposing this market to exploitation by low labour cost imports from overseas, as well as causing reduced tourist business, the directors state.

The net total dividend is maintained at 4.176p, with an unchanged final of 2.426p. Stated earnings per 25p share are down from 19.6p to 10.8p. Net assets per share are shown as 115.3p (113.2p).

Tax took £1.76m (£1.26m). There were extraordinary debits of £379,000 (£563,000), which included a £126,000 realised exchange gain (£102,000 loss) on Swiss loan repayment, and an exchange loss of £423,000 (£461,000) in the translation of net current assets.

With dividends again absorbing £1.58m, the retained balance emerged down from £5.15m to £2.09m.

Share capital and reserves amounted to £43.22m (£42.37m) at the year-end, and loans and deferred liabilities totalled £16.08m (£4.37m). Group fixed assets were up from £27.4m to £33.84m, while net current assets were ahead to £25.46m (£19.35m).

Lex, back Page

F. H. Lloyd depressed by £1m

Pre-tax profits of F. H. Lloyd Holdings, the steel foundry and engineering group, fell by £1.05m in the year to March 29, 1980, from £3.42m to £2.37m, on sales up from £63.51m to £64.09m. At halfway profits were £238,000 (£1.41m) after an extraordinary debit of £0.58m.

The final dividend is reduced from 4.4729p to 3.5p, making a total of 4p, against 6.1229p last time. Stated earnings per 25p share are 7p (10.4p) on a net basis and 10.3p (10.4p) on a nil basis.

Severance payments for the year were up to £726,000 (£625,000) and interest up to £344,000 (£170,000). Taxation took £515,000 (£800,000).

The company says profits were affected by national and domestic strikes, the effects of which were felt mainly in the first half. The reduction in the dividend follows a review of the current trading situation and the need to balance short-term dividend return with longer-term considerations.

The new "mini mill" is expected to start operations in September and to contribute to the year's profits. Trading conditions continue to be depressed, however, with costs affected by recent increases in energy. Together with the strength of sterling this reduces export sales prospects.

● comment

F. H. Lloyd may be starting from a low borrowing base but it recognises that this year will see a rapid accumulation of debt to fund the new mini-mill. Mindful of the additional strain that increased financing costs will impose on recovery hopes, already dampened by a very flat trading outlook and the imminent redundancy costs at Bagnell, the yield has reached the somewhat daunting level of 15.2 per cent, despite the dividend cut. The shares rose 3½p to 41p yesterday, nevertheless, and a fully taxed p/e of about 8 provides score to break into new trading ground for the current year. That will depend, in large part, to the success of the new mill. Certainly scrap prices have fallen around £10 per ton in the last six months and the additional fall expected will obviously be of great help next month while Cooper Lloyd is expected to demonstrate the virtues of flexible billet production once more now that excess scrap stocks have been eliminated. For the moment, the shares are probably no more than a medium hold until the expected benefits of this new investment can be assessed.

Victoria Carpet setback

A SECOND-HALF loss of £23,600 has left pre-tax profits of Victoria Carpet Holdings well down at £114,187 in the year to March 29, 1980 compared with £700,381.

Reporting a decline from £369,284 to £137,787 at the midway stage, the directors pointed to slack demand and reduced margins. There was a time lag in the effect of substantial price rises becoming apparent in profits, they warned.

The dividend is reduced from 1.6p to 1p net with a final of 0.5p.

The surplus includes temporary employment subsidy of £51,220 (£192,820) — last year's profit also included part recovery of the Bond Worth group debt amounting to £36,000.

Turnover for the year was £15.36m (£15.01m). Tax took £44,159 (£18,552) and there was an extraordinary credit of £18,326 (nil).

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corre-sponding div.	Total for year	Total last year
Attwood Garages	0.84	Aug. 1	0.84	1.45	1.45
Benlox Hldgs.	0.5†	Aug. 14	Nil	0.5	Nil
Bluemel Bros. int.	1.65	Sept. 9	1.65	—	3.82
British Tar Products	1.8	Aug. 7	1.6	2.4	2.18
Brunner Inv. Tst. int.	1.23	Aug. 4	1.08*	—	2.45*
Charter Trust int.	0.93	Aug. 18	0.83	—	3.16‡
Continental & Indl.	7.5	—	4.7	13.3§	7.2
Dundee & London int.	1.25	July 18	1	—	3.4¶
Finance & Ind. Tst. int.	1.5	July 31	1.2	—	1.2
Grange Trust int.	1.1	Sept. 5	0.95	—	3.2
F. H. Lloyd Hldgs.	3.5	—	4.47	4	6.12
J. F. Nash Secs. int.	3	—	3	—	6.5
Raeburn Inv. Tst. int.	2	Aug. 11	1.45	—	6.35‖
Record Ridgway int.	Nil	—	Nil	—	0.1
J. Swan	6.75	—	6.25	6.75	6.25
Victoria Carpet	0.5	Aug. 21	1.1	1	1.6
Wedgwood	2.43	Aug. 8	2.43	4.18	4.18

Dividends shown pence per share net except where otherwise stated.

* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ Including non-recurring payment of 0.306p. § Including non-recurring payment of 2.8p. ¶ Including non-recurring payment of 0.36p. ‖ Including non-recurring payment of 0.9p.

Increase in 1980 expected by BATs

Operating profits of BAT Industries in the current year should show an improvement over last time but group results expressed in sterling terms were vulnerable to exchange rate changes, Mr. Peter Macadam, chairman, told shareholders yesterday.

Interest charges were likely to increase materially, although profit after interest but before tax should still show a greater rate of growth than in 1979. The likelihood of an higher tax charge could mean that attributable profits may fall just short of last year's level, he added.

Group sales of tobacco products had remained strong in most markets, increasing in volume during the first five months of the current year.

However, he added that in some countries, notably Brazil, price increases were not keeping pace with rising costs.

For the full-year, he expected increased operating profit in local currency terms from the group's tobacco activities.

Retailing, however, had suffered a downturn in the U.S., despite a good start. Little growth was expected from this sector in 1980, although the extent to which consumer confidence would revive before next Christmas would have a significant impact on the results.

In the UK, International Stores continued to improve its trading position.

In the paper industry, increased profits from Wiggins Teape and in the U.S., Appleton, were being offset by patchiness on the UK side.

British Tar improves

ON TURNOVER up nearly £8m from £17.44m to £25.28m, taxable profits of British Tar Products, bulk storage, chemical manufacture and merchanting group, improved to £1.58m for the year ended March 31, 1980, compared with £1.32m.

At halfway profits had risen to £812,000 (£716,714).

The directors state that, in common with the chemical industry in general, difficult conditions are being experienced in the current year.

Net profit for 1979-80 came out well ahead at £1.37m (£635,000), after much lower tax of £215,000 against £682,000, giving earnings per 10p share of 9.23p (4.76p).

The dividend is increased to 2.4p (2.175p) net with a final payment of 1.8p, and a one-for-seven scrip issue is proposed.

Hall & Ham

Despite a turnover up by over £18m from £88.36m to £106.97m, pre-tax profits of Hall and Ham River, subsidiary of Ready Mixed Concrete, fell slightly to £5.13m for 1979, compared with £5.2m.

Record Ridgway in loss midyear

REDUNDANCY COSTS and much higher interest charges have left Record Ridgway, hand tool manufacturer, with a taxable loss of £357,000 for the six months ended March 30, 1980, compared with profits of £119,000. Turnover rose slightly from £10.25m to £10.92m.

Profits slumped to £238,000 for the whole of last year, compared with the previous £651,000, and a record £2.41m in 1976/77. Last December the directors said that the current year was likely to be difficult as a result of the high cost of money, inflation rate, and strength of sterling.

Consideration of an interim dividend has been deferred until results for the full year are known—last year's payment was a nominal 0.1p.

The directors say the business climate at present is not encouraging but they are determined to maximise profitability by containing unit costs, improving customer service and by full exploitation of recent investments in modern manufacturing facilities.

Trading profit for the first half was up from £253,000 to £368,000 but an exceptional debit—redundancy costs—of £221,000 (nil) and higher interest of £504,000 (£146,000), left the loss before tax figure.

After tax of £66,000 (£57,000), exchange losses £3,000 (£30,000), and minorities profit £2,000 (£1,000 losses), the attributable deficit came out at £428,000 (£33,000 profit).

Loss per 25p share is given as 3.83p, compared with 0.5p earnings previously.

Mr. A. B. Hampton, chairman, says that Record Ridgway Tools showed an improved trading profit, despite heavy start-up costs of the new £3m foundry, and because of current exchange rates and UK inflationary pressures, export business remains difficult to generate at acceptable profit margins.

He states that output from the foundry will shortly be sufficient to cover the high interest cost of the investment.

Platts Forgings produced a better performance in the first quarter, but suffered serious disruption of its raw material supplies during the steel strike, and Bestmore Tools' profit was slightly below budget. The chairman says that the introduction of new marketing arrangements "should generate additional sales."

Overseas companies made a useful contribution to results, he adds.

● comment

Record Ridgway's results get worse and worse. Pre-tax profits have fallen for the last three years and the company has now sunk into a £357,000 loss in the first half of the current year. The problems are familiar. The company's hand tools can no longer command a premium abroad on the Sheffield name and, with the high value of sterling, export sales are being maintained at absurd margins. The group had the bad luck to invest £3m in a highly automated grey metal foundry three years ago to secure its own needs. These have since contracted. However, the open market for grey iron is in slump and the interest costs on the foundry investment are unbearable. The cash position is deteriorating and, with £428,000 lopped off shareholders' funds at the interim, net worth is probably around £1 a share. At 17p, the shares might look a steal, but who wants a grey iron foundry?

Lifeguard repays rescue fund and starts to restore capital

BY ERIC SHORT

Lifeguard Assurance, the life company which ran into financial trouble in the autumn of 1975, has now recovered sufficiently to repay the £1.5m rescue fund put up by shareholders and others.

The payment was announced yesterday by Mr. Victor Wood, chairman of Lifeguard. The company is also partially restoring shareholders' funds, because of its buoyant financial position.

The company was established in 1964 to write life assurance business. It had a strong connection with Lloyd's, most of the shareholders being Lloyd's broking companies or Lloyd's brokers. In 1975, it was declared technically insolvent by the Department of Trade, in that the value placed on its liabilities exceeded that placed on its assets.

To avoid liquidation and its consequent problems for policyholders, a rescue fund was raised from shareholders and others so that the company could continue operating as a closed life fund not writing any new business. The £1.5m subscribed to restore solvency, was to be repaid once the life funds of the company were on a sound financial footing.

The two factors contributing to the company's difficulties were the high cost of obtaining business and the generous amounts paid on early cash-in of policies.

The new board, appointed at the time of the troubles, remedied the situation by ceasing to get new business, closing down all branches and dismissing all but a skeleton staff, and by only paying a nominal surrender value of £1 on early cash-ins. Both moves caused considerable controversy at the time.

The accounts for the year ending June 30, 1979 showed a surplus of assets over liabilities of £2.55m including the £1.5m contribution fund. In his statement yesterday, Mr. Wood said it was already clear that a further material surplus would arise in the current financial year. The board considered the £1.5m was no longer needed by the life fund to ensure solvency.

There were no provisions for the payment of any interest on the rescue fund money, and no dividends have been paid to shareholders, the shareholders' funds being taken into the life fund as part of the rescue operation. Now £500,000 is being paid to shareholders' funds—the paid up capital is £750,000—as a first step to resuming dividend payments.

Policyholders, however, have still been getting bonuses declared on their with-profit policies. And the Board is paying an additional bonus of 10 per cent of premiums for the period 1972 to 1977—the date of the last bonus declaration. The next bonus will relate to the three years ending June 30, 1980, and will be declared after the actuarial valuation has been made.

Lifeguard has no plans to recommence selling life assurance and at present no one appears to have been interested in buying the company. Without any sales organisation, it would need a substantial capital injection to be able to resume selling. The chief shareholders were pleased that the company was on a sound footing as a closed fund.

Hazlewood rights issue terms

THE BOARD of vegetable processor and sauce maker Hazlewood Foods has set the terms of the £1.027m rights issue which it announced earlier this week. The new shares will be offered on a one-for-three basis at 76p, a 19 per cent discount to Thursday's closing price of 94p.

The issue, underwritten by stockbroker Laurence Prust, is to finance the increased working capital requirements of the expanding group.

Pre-tax profits for 1979-80 announced this week were 37 per cent ahead at £712,000, on turnover up by 36 per cent to £8.3m.

The directors, who control some 60 per cent of the shares, will not take up their rights. A 7p net dividend for the year is forecast on the increased capital.

NSS NEWSAGENTS ACCEPTANCES

Acceptances have been received in respect of £4,059,061 of NSS Newsagents 10 per cent convertible unsecured loan stock, approximately 95 per cent of the £4.3m offered by way of a rights issue of £1 of stock for every four ordinary shares held.

Stock not taken up has been sold in the market and the net proceeds, amounting to approximately 13p per £1 nominal of stock after deduction of the issue price and expenses, will be remitted pro rata to those to whom the stock was provisionally allotted. Amounts of less than £1 will be retained for the company's benefit.

J. F. Nash falls at six months

Pre-tax profits of J. F. Nash Securities, the motor manufacturing, packaging and engineering group, declined in the first half to March 31 from a restated £257,000 to £175,000. Turnover was up from £17.19m to £17.99m.

The company says the position is an improvement on the year-end forecast that there would be no significant profit in the first half. The interim dividend is held at 3p and earnings per 25p share are given as 3.1p. Last year the company paid a total of 6.5p on pre-tax profits of £0.6m.

Profits of the Reliant Motor Company subsidiary were down in the half from £101,000 to £53,000 as turnover dropped from £10.08m to £9.74m, and despite the successful launch of the new Scimitar GTC convertible and increased export sales to Greece and Turkey, short-term working has had to be introduced at the Tamworth factories.

The engineering division, affected by the steel and engineers' strikes, showed a profit of £5,000 (£73,000) on turnover of £3m (£2.17m). Packaging advanced to £172,000 (£129,000) on turnover of £1.26m (£1.03m). Other activities contributed £47,000 (£49,000).

Central costs, including interest, took £59,000 (£96,000) and there was a loss against discontinued activities, including credit retailing and hotel interests, of £43,000 (£1,000 gain).

Overall trading profit was £552,000 (£556,000). Interest took £377,000 (£299,000) and tax was £56,000 (£58,000). The attributable balance emerged at £131,000 (£203,000).

Continental & Industl. jumps

PRE-TAX revenue of Continental and Industrial Trust, investment holding company, jumped from £1.95m to £3.61m for the year ended May 31, 1980, and the dividend is boosted to 13.3p net, against 7.2p, with a final of 7.5p —included in the total is a non-recurring 2.8p.

After tax of £1.19m (£692,510) and preference dividends of £38,500, the available balance emerged at £2.38m (£1.22m). Earnings per 25p share are shown as 14.06p (7.21p).

Total revenue amounted to £4.33m (£2.88m), of which expenses and interest took £154,724 (£150,766) and £565,200 (£779,098) respectively.

Net assets were £53.34m (£58.06m) as at May 31, giving a per share value of 279.8p against 296.1p.

Benlox returns to dividends

Benlox Holdings reports higher pre-tax profits of £40,782 for the year ended February 29, 1980, compared with £12,116, on turnover down from £664,331 to £503,998—a loss of £144,000 was incurred in 1977/78.

Also this builder and contractor has returned to the dividend list with a 0.5p net payment per 10p share—last distribution was an equivalent 0.375p for 1974/75.

Discontinued operations contributed £330,759 and a loss of £2,004, to turnover and pre-tax profits respectively, for the 1978/1979 year.

Earnings per share are given as 1.94p against a 0.8p loss, after tax of £2,100 (nil).

Working capital further improved during the year by £291,000, and included net proceeds of £196,000 from last year's rights issue.

Robt. McBride jumps by 50%

Taxable profits of Robert McBride (Middleton,) domestic bleach, detergent and toiletries manufacturer, increased by 50 per cent in 1979, from £2.28m to £3.41m.

Turnover of the company, a subsidiary of British Petroleum, was up from £12.04m to £16.36m.

At halfway profits were £1.57m (£1.02m).

There was no tax (£0.46m) but the estimated deferred amount is £1.26m (nil). The net profit is £2.15m (£1.72m).

Bluemel well up at halftime

A FULL order book for most products at the beginning of the year followed by six months' uninterrupted production lifted first-half taxable profits of Bluemel Bros. from £128,109 to £215,279, well ahead of the £179,000 earned for the whole of the previous year.

But in recent weeks there has been a slowing down in order intakes in all areas, warn the directors of the group, which manufactures cycle and motor accessories.

Turnover in the six months to March 29, 1980, went ahead from £2.16m to £3.36m. Earnings, after tax of £111,945 (£55,000), are shown up from 3.22p to 4.54p and the interim dividend is maintained at 1.65p net. Last year's total was 3.82p.

Results due next week

Tuesday's preliminary announcement from Ferranti is expected to reveal pre-tax profits for 1979-80 on the right side of £11m—a modest advance on the previous year's £9.9m, with the engineering strike slowing growth.

The NEB has said the announcement will clear the way for disposal of its 50 per cent holding in the company. The year's dividend is expected by analysts to total 9.9p gross, against 8.3p. Faster growth is expected from the company in the current year, with the Scottish operations leading an advance to profits variously forecast between £14.4m and £18m.

The new-look Charter Consolidated also makes its preliminary announcement on Tuesday, with analysts expecting pre-tax profits of £50m to £52m, against £44.5m in 1978-79. The impact of the reconstruction will have been felt in the final quarter. It is expected to result in a drop in investment income, with various smaller holdings now transferred to Minorco and the Anglo-American group, offset by a rise in associates' profits, led by the Johnson Matthey stake. Charter forecast a net dividend for the year of 8p net, which together with the 0.35p net special distribution makes 11.9p gross, down on 1978-79's 12.5p. But under the reconstruction plan, Charter shareholders could have opted for Minorco shares, which increase the total distributions received to 13.63p gross. The market will also watch with interest the outcome of BP's interest in Selection Trust, in which Charter holds a major stake.

Analysts are expecting a slight second period recovery from Wilkinson Match, another company to report 12 month figures on Tuesday. Pre-tax profits should work out at around £15m compared with £19m last time. The first six months showed profits almost halved to £4.79m, despite a £1.65m profit from an investment sale. Increases in match prices worldwide will have helped the second six months and losses on the personal products side should have been cut back, though competition—particularly within the U.S.—remains severe. Wilkinson is not a major exporter but it derives the bulk of its profits from overseas, so the strength of sterling will have had a severe impact on translated earnings. The group currently has an 18-month accounting period.

Pre-tax profits from Trust House Forte are expected to rise from £19.2m to around £24m when the hotel group reports its interim figures on Wednesday. The UK hotel operations will not have seen the benefit of recent tariff rises and London occupancy rates remain unsatisfactory, but the more important provincial hotels have apparently held up well. In the U.S., Travelodge continues to suffer from poor occupancy and a heavy dependence on motor travel but other foreign hotels have performed strongly. The customary first half losses in the leisure division should be slightly lower this year and THF looks set to make as much as £80m over the full year, compared with £68.2m.

Power transmission products manufacturer Renold is expected to announce on Thursday a pre-tax profit of about £7m for 1979-1980, a drop of nearly a third. Analysts attribute this to the effects of the recent engineering strike, the low level of investment world-wide and some loss of its own market share at home. Its trading profit could be sliced to only about £10.7m from £13.6m previously. Outsiders expect a cut in the year's dividend of some 30 per cent to 7p net.

All indications are that Redland has had a strong second half despite the generally soft UK construction scene. Competitor Marley has already shown that roofing tile demand has remained strong and bricks are believed to have moved well because of the mild weather. The German roofing tile business has been very strong. Estimates of pre-tax profit for the year ended on March 31, 1980, which will be announced on Thursday, are all close to the £52m mark compared with £45.2m last year. A final dividend of close to 4p net is considered possible.

Forecasts of Chubb's year end results cover a broad range from £8m to £12m pre-tax, although analysts are quick to add that they could still be off the mark when the actual figures come out on Wednesday. The reason is an anticipated big fall in second half profits, owing to what are thought to be large losses on its cash registers business. The cash problems raise the slight possibility that the dividend could be trimmed.

Also expected next week are preliminary announcements from Powell Duffryn and BPB, together with interim statements from Trident Television and FNFC.

Company	Announcement due	Dividend (p)* Last year Int.	Last year Final	This year Int.
FINAL DIVIDENDS				
Anderson Strathclyde	Thursday	1.0	2.0	1.0
Austin (E.) & Sons (London)	Monday	1.4285	2.9555	1.7
Bajadora Tea Holdings	Monday	2.0	2.0†	2.0
Barlow Holdings	Wednesday	—	—	1.0
B.P.B. Industries	Wednesday	2.1	4.5	4.0
Brangreen (Holdings)	Monday	0.1	0.15	0.2
Brickhouse Dudley	Wednesday	0.8927a	1.9985	0.95
Brown & Tawse	Monday	1.373b	4.5	1.4
Charter Consolidated	Tuesday	2.42§	4.48§	3.35 ‖
Chubb & Son	Wednesday	1.8831	3.4784	1.9466
Cockaodge (Holdings)	Wednesday	0.8825	3.9532	—
Control Securities	Tuesday	0.27273	0.59	0.7
Country Gentlemen's Association	Friday	—	17.92	—
Cropper (James)	Monday	1.0	1.5	1.5
Dennis (James H.)	Wednesday	1.41225	3.85	1.8
Durapipe International	Thursday	0.529	1.8285	0.62
Eastern Produce (Holdings)	Monday	1.34	3.082	1.4
Electric & General Investment	Wednesday	0.8‡	1.2	0.95
Electrocomponents	Thursday	1.5	5.0	3.5
Elliott (B.)	Wednesday	2.75	7.25	5.0
Elliott Group of Peterborough	Monday	0.25	0.75	0.5
Evans of Leeds	Thursday	0.5	2.0	1.0
Ferranti	Tuesday	1.917	3.833	2.2
Grovebell Group	Friday	0.5	0.5	0.5
Halma	Tuesday	0.39998	0.63848	0.52
Hickling Pentecost	Wednesday	2.8	5.8	8.2
Holden (Arthur) & Sons	Tuesday	1.5	2.5	2.0
L.C.P. Holdings	Tuesday	1.53333	2.13333	1.8
Lendu Rubber Estates	Monday	—	0.875	—
Levex	Tuesday	—	0.67	—
Mercantile House Holdings	Wednesday	—	—	4.0
Moran (Christopher) Group	Wednesday	1.1	2.8	1.1
Norcros	Friday	1.75	3.18	1.98
Old Swan Hotel (Harrogate)	Monday	0.3	0.3619	0.4
Paterson (R.) & Sons	Tuesday	1.0375	2.3375	0.625
Polymark International	Monday	1.52	1.52	1.8
Powell Duffryn	Wednesday	3.9	7.1	4.25
Property Partnerships	Monday	1.0	1.5	2.0
Redland	Thursday	2.0406	3.21	2.67
Renold	Thursday	2.8026c	7.55	2.5
Rembia Rubber	Monday	—	0.5	—
Renwick Group	Tuesday	1.0	2.0	1.5
Scapa Group	Friday	[illegible]	[illegible]	[illegible]
Shaw Carpets	Thursday	0.5	1.5	0.5
Somic	Tuesday	0.9528	1.5022	1.0
Spong	Friday	0.44	0.81	—
Stead & Simpson	Thursday	0.7	2.05	1.0
Tecalemit	Tuesday	1.3894	1.7356	1.5625
Textured Jersey	Thursday	1.0	2.0	1.5
Whoway Watson	Tuesday	0.45	0.5547	0.45
Whitecroft	Monday	2.5	5.2	2.5
Whiteley (B. S. & W.)	Friday	—	1.25	—
Whittington Engineering	Thursday	1.11687	3.15	1.4
Wilkinson Match	Tuesday	4.22297	7.14633	4.5
INTERIM DIVIDENDS				
Ashdown Investment Trust	Tuesday	1.5	5.0m	
Castlefield (Klang) Rubber Estate	Thursday	1.4	3.5	
Countryside Properties	Thursday	1.4	2.1	
Cronite Group	Tuesday	0.80437	2.135	
Flexello Castors & Wheels	Thursday	1.41	2.32	
Great Northern Inv. Trust	Monday	1.5	4.5¶	
Hardys & Hansons	Thursday	2.6	8.8	
Hanlys	Thursday	3.0	5.1	
Irish Distillers Group	Wednesday	0.88	2.18	
Jackson (J. & H. B.)	Thursday	0.65	0.75	
Kenning Motor Group	Tuesday	1.75	3.75	
Killinghall (Rubber) Devpmnt. Synd.	Thursday	3.5	10.5	
Lookers	Thursday	1.4	2.45	
Muirhead	Monday	2.2	1.8	
Trident Television	Tuesday	1.095	2.38	
Trusthouse Forte	Wednesday	2.0	5.0	
United Guarantee Holdings	Thursday	0.232	0.268	
Vectis Stone Group	Wednesday	0.5	0.95	
Whatlings	Thursday	0.9	1.0	
INTERIM FIGURES				
First National Finance Corpn.	Tuesday			

* Dividends shown net pence per share and adjusted for any intervening scrip issue. † Second interim. ‡ Includes extra payment of 0.15p out of exceptional revenue. ¶ Includes non-recurring dividend of 0.6p. ‖ Includes non-recurring dividend of 0.35p. § Paid on 25p shares. ** Includes 2.11p for the seven months to March 31, 1979. m Includes non-recurring dividend of 1.0p.

The following are compensating dividends included to allow for the change in the tax rate.

BIDS AND DEALS

Hall Bros. offer for Brint

THE reorganisation of Hall Brothers Steamship, the former listed shipping group which has become a cash shell on the unlisted 163(2) market since the takeover by Mr. Alan Ferguson, continues apace.

Hall Brothers, whose shares were suspended on June 10, is now making an offer for Brint Investments, another cash shell and will, if the deal meets shareholders' approval, change its name to Brint Investments.

The takeover package involves both shares and cash. Hall is offering five of its own shares for every six new Brint shares, but shareholders of Brint may choose to accept 150p in cash for every Hall share they would be entitled to.

The cash offer is being made by the English Association of American Bond and Share Holders, and if all Brint shareholders elected to take the cash alternative, it would value Brint at £1.6m or 12.68p a share.

Prior to the suspension of Hall's shares they were said to have been traded at around 202p.

Mr. Alexander Stone, Brint's chairman who owns 84.8 per cent of the ordinary shares, has irrevocably accepted Hall's offer. He regards it as satisfactory because it represents a £250,000 premium over estimated net asset value.

For Hall, the advantage is that these assets are short-term cash deposits for which it is able to offer shares. The cash is to be used in providing funds for Hall's programme of seeking mining and natural resources interests, both in the UK and abroad.

SPAIN

June 20	Price %	+ or −
Banco Bilbao	214	−2
Banco Central	244	−2
Banco Exterior	208	−2
Banco Hispano	212	−1
Banco Ind. Cat.	122	
Banco Madrid	141	
Banco Santander	276	−3
Banco Urquijo	147	−5
Banco Vizcaya	223	
Banco Zaragoza	200	
Dragados	76	−1
Espanola Zinc	60	
Fecsa	64.5	+0.3
Gal Preciados	27	
Hidrola	69.7	−0.7
Iberduero	67.2	
Petroleos	107.5	−0.5
Petroliber	83	+4
Sogefisa	107	
Telefonica	58	−0.7
Union Elect.	67.5	−0.5

TMI/GEORGE BUTLER

Terence Mason Investments (TMI), of Redditch, has acquired the share capital of George Butler of Sheffield, cutlery manufacturer, from the Heron Corporation for an undisclosed seven-figure sum.

TMI sees the acquisition as a logical integration into the group, which produces and trades in silver plated goods and EPNS tableware. TMI will now have a turnover of more than £5m.

GRESHAM/QUEST

Gresham House Estate Company has sold 780,162 ordinary shares of Quest Automation, being its entitlement to the one-for-four scrip issue.

These shares were placed through the market with a number of institutional investors by R. Nivison and Co.

Gresham intends to retain its registered holding of 3,120,650 (27.6 per cent) shares of the enlarged capital.

T & N £1.5m French sale

Turner and Newall is selling for £1.5m its 82 per cent stake in Dagard et Fils SA, a manufacturer of cold store panels based in Boussac, France.

The purchase is being made by French industrial interests comprising Thomson-Brandt and Générale Française Frigorifique et Branches SA.

STROUD RILEY

Mr. Harvey Ross, the Yorkshire gold investment and coin dealer, has increased his stake in Stroud Riley Drummond, the Bradford-based textile group. Mr. Ross has acquired a further 461,438 shares taking his holding up from 10.76 per cent to 13.45 per cent. Mr. Stefan Simmonds, a Bradford businessman, holds a 29.7 per cent stake in the company through his privately-owned Simco Supermarkets business.

HOUSE OF FRASER

The trustee interests of Sir Hugh Fraser in House of Fraser have been amended. They are now as follows: Lord Fraser's executry, 598,800 shares; Fraser Foundation, 1,710,716 shares; 1962 Trust 1,216,855 shares; Emily Fraser Trust, 100,000 shares; and 1966 Trust, 479,920.

ASSOCIATES DEAL

Vickers da Costa, official brokers to Unicorn Industries, have sold 5,300 Unicorn at 120p on behalf of an associate.

Coates has 50.99% of Christy

Simon and Coates' offer to acquire Christy has been accepted in respect of 959,840 ordinary shares (47.99 per cent).

Coates has purchased 60,000 shares during the offer period and these, together with those assented to the offer, aggregate 1,019,840 (50.99 per cent).

Additionally, investment clients of Simon and Coates hold 295,000 Christy shares which have not been assented to the offer. Coates and its investment clients, therefore, control 1,314,840 (65.74 per cent).

The offer is declared unconditional but will remain open for acceptance until July 4.

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AGB EXPANDS IN EUROPE

AGB Research has bought shareholdings in the leading market research consumer panel companies in France and Spain.

The group has acquired 8,506 shares (18.6 per cent) of Cecodis S.A., a French holding company, for FFr 2.89m (£301,702) cash.

Cecodis owns, among others, 89 per cent of Secodip S.A.—the leading French consumer panel company; 50 per cent of Dym-Panel S.A.—The major Spanish consumer panel company; and 89 per cent of Les Yvelines S.A.—a French company owning land and office property near Paris where Secodip is located.

Participation in the leading consumer panel companies in France and Spain is consistent with the group's expansion plans.

SUMMARY OF THE WEEK'S COMPANY NEWS

Take-over bids and deals

The most important development this week in the Bids and Deals sector was British Petroleum's bid approach to Selection Trust. The oil giant may well have to pay a record price for a UK acquisition in this major diversification move. Thursday's announcement led to a 50 per cent increase in the market capitalisation of ST's shares, to £383m, and to a good demand for other London-based Mining Finance issues.

Dealings in Polly Peck, the ladies' fashion concern, were suspended on Tuesday at 85p at the company's request pending an announcement. This is expected to relate to an expansion of the group's activities. Polly Peck's shares had been lanquishing at 6p in January prior to a successful 9p per share takeover bid by the Jersey-based Restro Investments.

Charterhouse agreed in principle to sell **Glanvill Enthoven**, its broking subsidiary, to **Jardine Matheson**, the Hong Kong-based trading group, for £11.7m. Jardine wants to expand its international insurance interests and the acquisition will place Glanvill in a stronger position to develop.

Because of the fast-growing Arab taste for its major product, Vimto, a soft drink, **Nichols (Vimto)** purchased **Solent Canners**. The *latter's main* business involves Vimto and the £4.1m deal will give British and Commonwealth a 20 per cent stake in Nichols through its 78 per cent holding in Solent Canners.

Company bid for	Value of bid per share**	Market price**	Price before bid	Value of bid £m's**	Bidder	Final Acc't'ce date
Prices in pence unless otherwise indicated.						
Barget	12*‡	20	18	8.56	Tinnox	—
Bishopsgate Prop.	5*§	5	5	0.36	Bkly. Hambro	—
Christy Bros.	*30**	*33*	*33*	*0.60*	*Simon & Coates*	20/6
City & Intl. Tst.	135	124	127	18.41	Guthrie	—
Cray Elect.	31*§	37	34	0.93	Thrgmrtn. Tst.	—
Dolei Tea	*270**	*275*	*275*	*0.29*	*Tategold*	—
Ewer (George)¶‡	52§§	52	51½	6.50	Cowie (T.)	4/7
Keyser Ullmann	86	85	70††	44.1	Chrtrhse. Grp.	—
Lidstone	280*	360	290	0.51	Greewalk Nominees	—
L. K. Industrial Invs.¶¶	16½*	17	16	0.20	Caparo Invs.	—
Lond. & Prvncl. Poster	500*§	470	287††	9.12	Reed Intl.	—
Maple¶¶	34	34½	27½	9.49	Waring & Gillow	—
Mansan Trust	39*	35	33	3.84	Hong Leong Finance	—
McCleery L'Amie	19§	19	17	2.43	Lamont	—
Nationwide Leisure	6*§	6	9	0.66	Rantlodge	—
Steaua Romana	10*	44	7	0.25	Eng. Assoc.	—
Turner (W. & E.)	87½*	85	48††	9.07	J. Hepworth	—

* All cash offer. † Cash alternative. ‡ Partial bid. § For capital not already held. ¶ Combined market capitalisation. ‖ Date on which scheme is expected to become operative. ** Based on 20/6/80. †† At suspension. ‡‡ Estimated. §§ Shares and cash. ¶¶ Unconditional. ★ Plus royalties.

PRELIMINARY RESULTS

Company	Year to	Pre-tax profit (£000)		Earnings* per share (p)		Dividends* per share (p)	
Andersons Rbbr.	Jan.	11	(83)	—	(7.6)	1.15	(3.3)
Arbuthnot Lthm.	Mar.	1,300a	(829)a	17.6	(11.9)	11.0	(10.4)
Ariel Industries	Mar.	1,030	(813)	17.1	(12.4)	2.7	(2.38)
Baker Perkins	Mar.	*6,460*	(9,860)	14.6	(24.4)	6.45	(5.16)
Beechwood Con.	Mar.	502	(704)	7.2	(10.5)	2.2	(2.07)
Bell & Sime	May	159	(163)	40.0	(26.6)	6.75	(5.38)
Braby Leslie	Mar.	914	(2,090)	7.1	(15.6)	5.1	(5.01)
Bradford Prop.	Apr.	5,430	(4,670)	3.3	(3.2)	3.25	(3.17)
British Steam	Mar.	3,660	(2,890)	22.8	(18.3)	5.25	(4.35)
Brotherhood (P.)	Mar.	885L	(12)	5.3	(2.1)	1.0	(6.45)
Brownlee	Mar.	1,561	(962)	17.1	(10.1)	5.0	(4.0)
Brown Shipley	Mar.	1,790‡	(1,650)‡	19.3	(19.2)	13.0	(10.61)
Burrough (*Jas.*)	Feb.	2,780	(3,350)	24.3	(20.1)	5.54	(4.82)
Butterfld. Harvey	Mar.	1,260	(2,760)	7.0	(15.1)	2.8	(2.8)
Chambrln. Phipps	Mar.	4,150	(3,890)	13.5	(12.0)	3.1	(2.81)
C'ntry. & New Tn.	Jan.	2,200	(783)	2.8	(1.3)	0.75	(0.65)
Craig & Rose	Dec.	315	(330)	150.9	(156.6)	42.5	(26.4)
Davis (Godfrey)	Mar.	5,320	(4,580)	35.2	(28.3)	5.5	(4.37)
Dawson Intl.	Mar.	18,242	(16,260)	26.2	(21.4)	7.5	(7.0)
Delyn	Feb.	120	(47)†	2.8	(1.2)	—	(—)
Downs Surgical	Mar.	850	(1,780)§	5.0	(9.6)	1.6	(3.23)
Elswick Hopper	Jan.	1,310	(903)	3.2	(3.1)	1.15	(1.0)
ERF (Holdings)	Mar.	4,300	(3,340)	56.0	(45.2)	4.2	(3.4)
Ferguson Indl.	Feb.	3,740	(2,240)	21.4	(14.6)	5.5	(4.4)
Fortnum & Mason	Jan.	578	(801)	64.0	(87.8)	23.22	(23.22)
GEI Intl.	Mar.	6,820	(6,160)	22.9	(23.6)	5.32	(4.63)
Hambros	Mar.	9,830‡	(7,120)‡	46.5¶	(33.6)¶	16.5	(10.92)
Hargreaves	Mar.	4,200	(3,470)	11.1	(10.9)	3.96	(3.59)
Hazlewood Foods	Dec.	712	(521)	15.7	(11.5)	6.0	(4.0)
Highgate & Job	Mar.	145	(123)	—	(—)	—	(—)
James (Maurice)	Dec.	614	(409)	3.6	(1.6)	0.75	(0.5)
Johnson, Matthey	Mar.	38,610	(21,580)	48.0	(26.1)	15.0	(8.5)
Lesney Products	Jan.	3,600L	(5,100)	—	(16.2)	1.23	(3.24)
MK Electric	Mar.	7,150	(8,340)	40.2	(40.4)	12.0	(12.0)
Natl. Carbonising	Mar.	102	(34)	1.9	(0.1)	2.8	(0.7)
N'thrn. Gldsmiths.	*Feb.*	*648*	(453)	14.9	(8.7)	3.25	(2.81)
Norwest Holst	Mar.	1,870L	(5,440)	—	(58.6)	2.0	(5.04)
Pauls & Whites	Mar.	7,980	(7,640)	22.0	(19.3)	5.75	(4.93)
Prop. & Bevsnary.	Mar.	1,880	(1,260)	4.5	(3.2)	2.55	(2.04)
Racal	Mar.	63,620	(61,620)	18.1	(16.9)	4.13	(3.75)
Robertson Foods	Mar.	2,550	(2,041)	20.6	(11.8)	6.33	(6.3)
Sound Diffusion	Dec.	379	(790)	1.8	(4.5)	1.05	(0.8)
Tesco Stores	Feb.	36,531	(37,662)	10.6	(11.5)	2.45	(1.98)
Tranwood Group	Jan.	115	(105)	0.4	(0.3)	—	(—)
Triplex Foundries	Mar.	1,880	(2,230)	12.9	(18.7)	5.44	(5.36)
Tunnel Holdings	Mar.	10,518	(6,575)	33.9	(18.2)	9.0	(6.25)
Twinlock	Feb.	201	(1,430)	0.5	(5.5)	—	(0.56)
Wassall (J. W.)	Mar.	72	(78)	3.5	(3.0)	0.68	(0.68)
Westbrick Prods.	Mar.	752	(597)	12.3	(10.1)	3.75	(3.0)
W.G.I.	Mar.	2,200	(2,060)	35.1	(42.5)	8.4	(7.0)
Wlvrhptn. Steam	Mar.	19	(10)L	—	(—)	0.5	(—)

INTERIM STATEMENTS

Company	Half-year to	Pre-tax profit (£000)		Interim dividends* per share (p)	
Anglia TV	Apr.	2,970	(2,020)	2.0	(1.57)
Bakers Stores	Mar.	397	(329)	0.65	(0.5)
Berisford (S&W)	Mar.	16,770	(16,100)	3.25	(2.5)
Crest Nicholson	Apr.	1,910	(1,606)	2.0	(1.5)
Duple Intl.	Feb.	1,800	(1,460)	0.7	(0.34)
Eng. China Clays	Mar.	19,070	(10,430)	2.5	(2.12)
Jones (Ernest)	Mar.	1,210	(1,070)	1.4	(1.25)
Lee (Arthur)	Mar.	262	(308)	0.44	(0.44)
Robert Kitchen	Mar.	352	(1,010)	3.0	(1.5)
Tillay Lamp	Dec.	5L	(9)	—	(—)
Westland Aircraft	Mar.	10,570	(4,210)	2.0	(1.0)

(Figures in parentheses are for corresponding period.)

* Dividend shown net except where otherwise stated. † For previous 69 weeks. ‡ Profit after tax. ¶ Earnings per 25p share before investment gains and extraordinary items. ‖ Earnings before tax. § For previous 15 months. a Profits after tax and transfers to inner reserves. L Loss.

Scrip Issues

Brownlee—One for two.

Duple International—One for four.

Johnson, Matthey—One for one.

National Carbonising—One for one.

Rights Issues

Candecca—Rights issue of 5,196,070 new ordinary shares of 10p each at 115p on the basis of one for four to raise £5.8m.

Mallinson-Denny—Rights issue on the basis of two for five at 52p per share to raise £10.7m.

Thurgar Bardex—Rights issue on the basis of two for seven at 12½p per share to raise £333,000.

Offers for sale, placings and introductions

South Staffordshire Water Works Company—Offer for sale by tender of 9½ per cent preference stock redeemable at par on October 1, 1985.

Finance Bill clause to end demerger tax barriers

BY DAVID FREUD

UNDER LEGISLATION added to the Finance Bill yesterday, companies can obtain prior clearance from the Inland Revenue for plans to divide into sub-groups.

The legislation breaks down existing tax barriers to companies dividing, or demerging. It was promised in the Chancellor's Budget statement.

Clearance will be given when the Revenue is convinced that a company's motive for demerger is to improve trading efficiency, rather than to avoid paying tax on distributions.

The legislation includes a safeguard clause to prevent a demerger being used as part of a tax-avoidance scheme within the subsequent five years.

In the March Budget, Sir Geoffrey Howe, Chancellor, said the fashion for many years had been to favour mergers, and the result was to group together businesses which in some cases could be run more effectively separately.

However, the tax rules discouraged demergers, by charging the assets of the demerged company to advance corporation tax and income tax as distributions.

"I propose to bring forward measures to ease the tax charge on distributions of that kind, subject to certain safeguards, and where they are concerned solely with the splitting off of independent trades within the corporate sector," he said.

The legislation is limited specifically to trading companies or holding companies of a trading group. Splitting up investment or property portfolios or dividing either of these from a trade is not covered.

The form of the merger can be either the distribution of shares in a demerged subsidiary, or distribution of shares in two or more new companies in exchange for those of the defunct original.

The legislation covers both income tax liability of the shareholder and advance corporation tax liability of the company. Further clauses provide relief from capital gains tax and stamp duty.

The Revenue will aim to provide clearance for proposed demergers within 30 days, although the full procedure will be published in a statement of practice only after the Bill becomes law in the summer.

Companies may demerge without prior clearance, although the Revenue may then challenge the move if it considers it falls outside the provisions of legislation.

Pressure for prison reform stepped up

By James McDonald

With the Government expected to publish soon its proposals for dealing with young adult offenders, the National Association for the Care and Resettlement of Offenders (NACRO) yesterday published a reminder that organisations representing prison governors and probation officers are among those favouring greater restriction on the powers of courts to impose custodial sentences on offenders aged between 17 and 21.

NACRO summarises the reactions to the 1978 Home Office Green Paper by a number of organisations.

The Green Paper proposed that, before passing a custodial sentence on a young adult, a court should be satisfied that no non-custodial alternative is appropriate.

Several organisations proposed that courts should not merely be satisfied that no alternative is appropriate, but should be required to state reasons for, and objectives of, any custodial sentence. These reasons would then be recorded and form grounds for appeal.

"Young Adult Offenders: A review of comments on the Green Paper" NACRO, 169 Clapham Road, London, SW9.

Developer abandons appeal against £1.78m judgment

BY RAYMOND HUGHES, LAW COURTS CORRESPONDENT

MR. DEREK BARNES, former chairman and managing director of Northern Developments (Holdings), has decided not to challenge a High Court judge's refusal to stay execution of a £1.78m judgment obtained against him by Williams and Glyn's Bank.

Mr. Barnes' appeal against the refusal had been listed for hearing by the Court of Appeal in the next few weeks. It was disposed of on Tuesday without a court appearance. A document signed by both sides to the dispute, consenting to the appeal being dismissed, was lodged with the court.

The refusal to grant a stay of execution, pending a possible appeal by Mr. Barnes against the £1.78m judgment, was made on April 14. But the following day the refusal order was suspended, pending Mr. Barnes' appeal against it.

Technically, the latest development means that Williams and Glyn's could seek to enforce the £1.78m judgment without waiting for Mr. Barnes' main appeal to be heard.

The bank could also now serve a bankruptcy notice demanding payment of the judgment-debt, which, with interest and costs, amounts to about £2.5m.

A failure by Mr. Barnes to pay under such a notice would be an act of bankruptcy, entitling the bank to file a bankruptcy petition against him.

The indications are, however, that it will do neither of these things at the moment, preferring to concentrate on getting Mr. Barnes' appeal before the court as soon as possible.

The High Court hearing lasted 104 days last year. In March, Mr. Justice Gibson handed down a seven-volume, 200,000-word reserved judgment in favour of Williams and Glyn's.

He held that the bank was entitled to repayment of £1.78m loans made to Mr. Barnes and had been entitled to repayment on demand of money lent on overdraft to Northern Developments, the quoted house-building group which crashed in June, 1975.

The judge also held that the bank was entitled to interest on the loans, at 3½ per cent above hase rate, from February 18, 1976, and to its costs.

Mr. Barnes' counter-claim that the bank had been guilty of negligence and breach of duty and contract, both to him and Northern Developments, and was not entitled to repayment, was dismissed.

The case raised complex questions about banks' duties and obligations to their customers. If Williams and Glyn's had lost, repercussions in banking circles would have been serious and far-reaching.

CORAL INDEX: Close 468-473 (+5)

APPOINTMENTS

Chairman change at Anderson Strathclyde

Sir Monty Finniston is to become chairman of ANDERSON STRATHCLYDE on a non-executive basis after the annual meeting on August 7. Mr. R. H. Thorpe is to retire from the chairmanship and the Board from that date.

★

Mr. Douglas Fuller has been elected to the Boards of CORDS PISTON RING COMPANY and BARS MOTOR PRODUCTS as sales and marketing director.

★

Mr. Timothy J. Sheppard has joined the Board of the ENGLISH ELECTRIC VALVE COMPANY as director of planning.

★

NORMALAIR-GARRETT has appointed Mr. George R. Giles as marketing director. This is a new appointment, the responsibity having been carried by the managing director, Mr. William T. C. Miller.

★

KNIGHT FRANK AND RUTLEY states that Mr. M. J. L. Nicholson, senior partner of KFR Belgium, will be returning to the UK on July 1. He will be joining the West End offices department as an associate partner. Mr. J. P. Washer will be taking over as senior partner of KFR Belgium, and Mr. A. J. Rogers as managing partner. Mr. P. A. Jarvis and Mr. N. G. Stafford Allen are appointed associate partners of Knight Frank and Rutley from the beginning of July.

★

Mr. Leo F. Swift has been appointed managing director of ATLANTIC INTERNATIONAL BANK. Mr. Swift has been general manager since March 1, 1978 and succeeds Mr. John T. Cannis, who remains a director but is returning to Manufacturers National Bank in Detroit. Mr. Joseph J. Buttigieg III, assistant general manager, is appointed general manager. The appointments are effective from June 30.

★

A MONK AND CO. states that it has been agreed between the Board and Mr. M. R. Adkins that his employment with the company will terminate on June 30.

★

Mr. David Yeo will be appointed financial director of CUNDELL CARTONS, HOLLINGSWORTH MARSHALL and N. SALE from July 1. He will continue as secretary of the three companies.

★

SELECTION TRUST states that, in accordance with a long-standing intention, Mr. L. A. Cook will succeed Mr. J. P. Du Cane as managing director of the company on July 1. Mr. Du Cane is *chairman of the Board* and chief executive and will continue in those positions.

★

Mr. Francois Mayer, a director of HUME INVESTMENT TRUST COMPANY, has become managing director and Mr. Robert Dickinson has been appointed a director.

★

Mr. J. W. Hooke, managing director of Waterlow and Sons, has become president of the LONDON PRINTING INDUSTRIES ASSOCIATION. Mr. D. Knill-Jones, managing director of Howard Jones Printing Services has become honorary treasurer in succession to Mr. H. H. Caldwell of Mears Caldwell Hacker who has retired.

★

R. W. HOURD AND SON has appointed Mr. D. R. Johnson to the Board of HOURDS MARKETING.

★

MSMS INTERNATIONAL has appointed Mr. G. Dennis Gilbert a director. Mr. Gilbert was previously the managing director of an international division of Whitbread and Co.

★

Mr. C. M. Brown has been appointed a non-executive director of PAUL AND WHITES. He is executive chairman of Vinten.

★

Mr. David Lloyd has been appointed managing director of G. P. G. IRELAND and STAR PLASTICS COMPANY. He was formerly manufacturing manager of G. P. G. International.

BASE LENDING RATES

A.B.N. Bank	17 %	■ Hambros Bank	17 %
Allied Irish Bank	17 %	■ Hill Samuel	§17 %
American Express Bk.	17 %	C. Hoare & Co.	†17 %
Amro Bank	17 %	Hongkong & Shanghai	17 %
Henry Ansbacher	17 %	Industrial Bk. of Scot.	17½%
A P Bank Ltd.	17 %	Keyser Ullmann	17 %
■ Arbuthnot Latham	17 %	Knowsley & Co. Ltd.	19 %
Associates Cap. Corp.	17 %	Langris Trust Ltd.	17 %
Banco de Bilbao	17 %	Lloyds Bank	17 %
Bank of Credit & Cmce.	17 %	Edward Manson & Co.	18 %
Bank of Cyprus	17 %	Midland Bank	17 %
Bank of N.S.W.	17 %	■ Samuel Montagu	17 %
Banque Belge Ltd.	17 %	■ Morgan Grenfell	17 %
Banque du Rhone et de la Tamise S.A.	17½%	National Westminster	17 %
Barclays Bank	17 %	Norwich General Trust	17 %
Bremar Holdings Ltd.	18 %	P. S. Refson & Co.	17 %
Brit. Bank of Mid. East	17 %	Rossminster	17 %
■ Brown Shipley	17 %	Ryl. Bk. Canada (Ldn.)	17 %
Canada Perm't Trust	18 %	Schlesinger Limited	17 %
Cayzer Ltd.	17 %	E. S. Schwab	17 %
Cedar Holdings	17 %	Security Trust Co. Ltd.	18 %
■ Charterhouse Japhet	17 %	Standard Chartered	17 %
Choulartons	17 %	Trade Dev. Bank	17 %
C. E. Coates	17 %	Trustee Savings Bank	17 %
Consolidated Credits	17 %	Twentieth Century Bk.	17 %
Co-operative Bank	*17 %	United Bank of Kuwait	17 %
Corinthian Secs.	17 %	Whiteaway Laidlaw	17½%
The Cyprus Popular Bk.	17 %	Williams & Glyn's	17 %
Duncan Lawrie	17 %	Wintrust Secs. Ltd.	17 %
Eagil Trust	17 %	Yorkshire Bank	17 %
E. T. Trust Limited	17 %		
First Nat. Fin. Corp.	19½%		
First Nat. Secs. Ltd.	19 %		
Robert Fraser	17 %		
Antony Gibbs	17 %		
Greyhound Guaranty	17 %		
Grindlays Bank	‡17 %		
■ Guinness Mahon	17 %		

■ Members of the Accepting Houses Committee.
* 7-day deposits 15%, 1-month deposits 15¼%.
† 7-day deposits on sums of £10,000 and under 15%, up to £25,000 15¼%, and over £25,000 15½%.
‡ Call deposits over £1,000 15%.
§ Demand deposits 15%.

Better deal for North-West

By Rhys David

A REGIONAL branch of the National Economic Development Council for the North West, bringing together business, banking, local authorities, trade unions and existing promotion agencies, was urged yesterday by Sir Arthur Sugden, retiring chairman of the Co-operative Bank.

Sir Arthur, who was speaking at the opening of the bank's new £7m customer bureau at Skelmersdale in Lancashire, said the region needed a single clear voice which would be heard by investors in London and Brussels.

The Skelmersdale Centre, which now employs 540 staff, was officially opened by Mr. Denis Healey, former Chancellor of the Exchequer, and is designed to cope with an expected doubling in the Manchester-based bank's custom over the next five years.

Sir Arthur, who is also retiring as chief executive of the Co-operative Wholesale Society, said the North-West had suffered from Government regional policy which had deprived parts of the region of substantial incentives.

WORLD STOCK MARKETS

Wall St. recoups early losses

OPENING LOSSES were partially recouped on Wall Street yesterday, when Institutional demand for Blue Chips was providing support for those issues. Cash flowing into Institutional portfolios from expiring, high interest, short-term debt instruments was fuelling the stock purchases.

After shedding another 3.67 to $867.83, the Dow Jones Industrial Average recovered to $870.90 by 1 pm, unchanged on the day but still off 5.47 on the week. The NYSE All Common Index at $65.24, lost 29 cents on the day and 89 cents on the week. Declines led advances by a nine-to-four majority, while the trading volume decreased 2.96m shares to 26.1m compared with 1 pm Thursday.

Declines in interest rates over the past two months have had stock yields relatively more attractive. Citibank cut its Prime Rate to 12 per cent from 12½ per cent, bringing its rate into line with a half-dozen other major banks.

Roper jumped $2½ to $11⅞ — it began an offer to buy 750,000 of its shares at $12 each.

General Instrument put on $⅞ to $51⅞ on a 50 per cent rise in fiscal first quarter net earnings. Eli Lilly rose $⅞ to $50⅜ — it settled a Federal Trade Commission complaint related to insulin sales.

Chrysler rose $⅛ to $6⅞ — it said only two small banks continue to delay its financial rescue plan. General Motors tacked on $⅛ at $47⅞ and Ford $⅛ at $23⅞.

Active General Electric firmed $⅜ to $50⅜ — a block of 125,000 shares traded at $50.

City Investing improved $1⅛ to $28 — Tamco Enterprises made its long-awaited announcement that it acquired 3m City Investing shares and may make an offer for City Investing's assets. A $30 a share Tamco bid for the assets made in late May was rejected.

Norfolk and Western lost $1 to $31½—it will lay off 1,000 workers starting June 30 because of an expected drop in coal shipments.

Missouri Pacific slipped $⅞ to $58⅞, Union Pacific $1 to $41⅞ and Chessie System $⅞ to $31⅞.

Ex-cell-o shed $⅞ to $31½ on lower fiscal second quarter net earnings.

The American SE Market Value Index rose 0.39 to 284.77, reducing its loss on the week to 2.98.

Holders of about 80 per cent of Huck Manufacturing shares, up $3⅞ to $38⅞, agreed to sell their stock to Federal Mogul at $41 apiece.

Wang Labs "B" rose $⅞ to $34½—Bendix Corp began a Secondary offering of 1.24m shares at $33⅞.

Canada

Markets remained lower in moderate trading around noon yesterday, when the Toronto Composite Index shed 5.5 to 2,021.7 and 11 of 14 sub-indices retreated.

The Metals and Minerals Index lost 21.7 to 1,838.7, Oil and Gas 3.5 to 4,519.2, Banks 3.87 to 360.22 and Utilities 0.84 to 253.84. But Golds put on 45.5 to 3,868.1 and Papers firmed 0.13 to 177.58.

Texaco Canada rose $2 to $91 before being halted—it increased its quarterly dividend by 8 cents.

Germany

Most leading shares recovered morning losses and gained as much as DM 2.70 on higher turnover.

Deutsche eased in otherwise higher Banks, while Chemicals and Motors were mixed.

Domestic Bonds eased on profit-taking and the Bundesbank bought a nominal DM 2.1m worth of stock after sales of DM 44.9m Thursday.

Mark Eurobonds were mixed.

Tokyo

Prices rebounded in moderate trading following a sharp decline Thursday. Investors were actively buying light Electricals and Pharmaceuticals. Energy stocks also were actively bought towards the end of the session.

Selected Insurances firmed on reports of higher earnings.

But Toyo Kogyo and some other speculative issues moved lower under profit-taking.

Fujitsu rose Y19 to 509—it developed a new high-speed semi-conductor element for large-scale integrations.

Trading was limited, however, at 240m shares, ahead of today's market holiday, the Japanese General Election and the Venice Summit.

Hong Kong

Sharply higher on news of Hong Kong Land's intention to increase its holding in Hong Kong Wharf to 49 per cent from around 21 per cent.

Stocks to benefit most were those with holdings in Wharf, such as Jardine Matheson, up $HK1.10 at $HK16.40 and World International which rose 30 cents to $HK4.275, although Hong Kong Land itself closed unchanged at $HK12 on fears its earnings per share will be diluted by the offer and worries over future debt ratios.

Cheung Kong, which has a stake in World International, rose 50 cents to $HK14.50, while other Properties were buoyant, with Sun Hung Kai Props up $HK1 at $HK11.50.

Australia

Prices rose sharply, led by Energy issues.

Most major Oil Shale stocks finished at record highs with heavy overseas buying pushing Greenvale 70 cents up to A$2.10, while Central Pacific added $A4 at A$65, Southern Pacific A$1.50 at A$24.50 and Esperance 55 cents at A$3.10.

Gas Producers and Coal and Uranium stocks were keenly sought, with Santos up 60 cents to A$13.70 and Peko 43 cents to A$7.60.

Overseas Corp. held unchanged at A$1.40 as McIlwraith-Davey Industries extended its on-market offer of A$1.40 for all the shares it is offered until next Wednesday, while James Hardie rose 20 cents to A$4.45 after a one-for-three bonus.

Paris

Mixed in active trading with operators squaring positions during the final session of the present accounting month.

Economy Minister Rene Monory's forecast of a French this year after a FFr 6.2bn trade deficit of around FFr 25bn surplus in 1979 also depressed sentiment.

Banks, Insurances and Electricals traded mixed, while Foods, Motors, Engineerings and Stores eased.

All other sectors held steady to firm.

CFRP rose FFr 2.8 to 249 on news its Total Oil Marine unit struck oil and gas in the North Sea. Elf Aquitaine gained FFr 5 to 1,270 after forecasting sharply higher group net profit for 1980.

Sesa edged up 80 cents to FFr 41.7 after returning to group profit last year, while La Redoute lost FFr 1 to 439 despite higher group profits in the year to February.

Among Foreign stocks, Oils, U.S. and Dutch weakened, while Germans, Gold Mines, Coppers and Canadians tended mixed.

Switzerland

After slim pre-weekend profit-taking, a firmer opening turned into a general steady performance.

None of the sectors stood out particularly, except for perhaps Insurances with slight losses.

In the background were the steady Swiss-Franc Bond Markets, the unaltered Euro-Swiss franc interest rates, the dull Foreign Exchange Market, and quiet Gold Bullion Markets.

Closing prices for North America were not available for this edition.

NEW YORK

Stock	June 19	June 18
City Investg.	28⅞	28
Clerk Equipment	31¼	51¼
Cleve Cliffe Iron.	27	27¾
Clorox	8⅜	8⅝
Cluett Peeby	8½	8⅜
Coca Cola	53¼	54⅛
Coca Btl. NY	4¾	4⅞
Colgate Palm	13½	13⅞
Collins Aikmen	7⅝	7⅞
Colt Inds	48⅛	48

Stock	June 19	June 18
Gerber Prod.	23⅜	33½
Getty Oil	82	81⅛
Giddings Lewis	27⅞	88¾
Gillette	24	24¾
Global Marine	55½	38⅛
Goodrich (BF)	18¾	18¾
Goodyear Tire	13	13⅛
Gould	20¾	20⅜
Grace	26⅛	37⅛
Grainger (WW)	28⅛	88⅛

Stock	June 19	June 18
Medtronic	57⅝	58⅜
Mellon Natl.	28⅝	28⅜
Melville	33¼	33
Memorex	14⅛	14⅝
Mercantile Strs.	36⅝	34⅝
Merck	70¾	71½
Meredith	57¼	27⅛
Merrill Lynch	22¼	23¾

Stock	June 19	June 18
Safeway Stores	34¼	34⅛
St. Joe Minls	48⅞	60
St. Louis-San F.	62¼	71¾
St. Paul Cos	35⅜	65⅜
St. Regis Paper	98¾	29¼
Santa Fe Inds	55	65⅜
Santa Fe Intl.	32	38¼
Saul Invest	7¼	7⅜
Saxon Inds	5¼	3⅛
Schering Plo.	37¼	38

Stock	June 19	June 18
Winn-Dixie Str.	28¼	98¼
Winnebago	2	9
Wisc Elec Power	26⅛	28
Woolworth	26	26¼
Wrigley	32⅞	21
Wyly	7⅜	7⅞
Xerox	36½	65⅞
Yellow Frt Sys	17	17¼
Zapata	34	33⅛
Zenith Rad	12⅝	12⅝

Indices

NEW YORK —DOW JONES

	June 19	June 18	June 17	June 16	June 13	June 12	1980 High	1980 Low	Since Cmpil't'n High	Since Cmpil't'n Low
◆ Industr'ls	870.90	881.61	878.27	877.73	879.57	872.61	805.84 (16/2)	759.13 (21/4)	1051.70 (11/73)	41.22 (2/7/32)
N'me B'nds	76.56	76.49	76.22	75.66	74.31	74.16	74.81 (15/6)	65.57 (28/3)	—	—
Transport	270.52	276.39	277.51	277.82	277.76	277.16	305.80 (8/2)	233.88 (27/3)	305.88 (8/2/80)	12.23 (8/7/32)
Utilities	114.59	115.57	115.56	114.46	115.77	115.06	115.77 (13/6)	96.04 (27/3)	163.32 (20/4/69)	10.52 (28/4/42)
Trading Vol 000's	38,280	41,960	41,930	36,190	41,889	47,500	—	—	—	—

◆ Day's high 886.01 low 869.62

Ind. div. yield %	June 13	June 6	May 30	Year ago (approx)
	6.09	6.12	6.18	6.01

STANDARD AND POORS

	June 19	June 18	June 17	June 16	June 13	June 12	1980 High	1980 Low	Since Cmpil't'n High	Since Cmpil't'n Low
‡Indust'ls	131.31	130.76	130.43	130.51	130.17	129.98	134.47 (16/2)	111.09 (27/3)	134.64 (11/1/73)	3.52 (30/6/32)
§Composite	116.81	116.26	116.03	116.09	115.31	115.82	118.44 (16/2)	98.22 (13/3)	125.85 (11/1/73)	4.40 (1/6/32)

	June 19	June 11	June 4	Year ago (approx)
Ind. div. yield %	3.98	5.12	6.28	3.30
Ind. P/E Ratio	7.73	7.73	7.68	7.91
Long Gov. Bond Yield	9.55	2.73	12.11	8.67

N.Y.S.E. ALL COMMON

June 19	June 18	June 17	June 16	1980 High	1980 Low
66.37	66.56	66.93	66.26	67.77 (13/2)	33.32 (27/3)

Rises and Falls	June 19	June 18	June 17
Issues Traded	1,898	1,910	1,927
Rises	467	704	840
Falls	1,073	778	668
Unchanged	366	428	419
New Highs	—	48	58
New Lows	—	3	5

MONTREAL

	June 19	June 18	June 17	June 16	1980 High	1980 Low
Industrial	568.12	575.84	574.35	572.82	425.80 (29/2)	326.21 (27/3)
Combined	544.47	348.47	549.80	547.88	378.30 (29/2)	296.90 (27/3)
TORONTO Composite	2027.24	2044.5	2048.20	2041.50	2192.6 (29/2)	1702.8 (27/3)

NEW YORK ACTIVE STOCKS

Thursday	Stocks traded	Closing price	Change on day
City Invest.	1,073,300	26⅞	−2⅛
Citicorp.	525,600	22¼	−⅛
ILT	452,500	21⅞	+1⅛
Sony	334,400	10⅝	+⅛
Ensearch	331,100	34	+⅛
Firestone	380,800	6¾	−⅛
IBM	334,300	57⅞	+1⅛
Gen. Elec.	322,400	49¾	−⅛
Amer. Cyan	322,100	28	−1¼
ATT	316,400	53½	

	June 20	June 19	June 18	June 17	1980 High	1980 Low
AUSTRALIA						
Sydney All Ord. (1936/59)	680.82	671.66	669.61	679.35	847.47 (14/2)	760.09 (2/1)
Metals & Minls (1956/59)	6497.24	6362.64	6595.19	6457.04	6980.95 (14/2)	4581.29 (25/3)
AUSTRIA						
Credit Aktien (2/1/62)	67.62	67.65	67.62	67.46	65.40 (7/1)	67.02 (20/6)
BELGIUM						
Belgian SE (31/12/63)	95.46	96.27	96.36	98.80	105.75 (11/2)	90.14 (31/3)
DENMARK						
Copenhagen SE (1.1/73)	79.28	78.97	79.15	79.15	85.74 (2/1)	74.79 (5/3)
FRANCE						
CAC General (29/12/61)	107.30	106.60	107.5	106.7	117.69 (22/3)	97.1 (5/1)
Ind Tendance (29/12/79)	105.89	105.60	105.9	106.8	109.70 (11/2)	95.90 (6/1)
GERMANY						
FAZ-Aktion 31/12/58	230.19	230.94	229.93	(c)	238.95 (25/2)	212.73 (28/3)
Commerzbank (Dec. 1953)	725.60	724.20	724.1	(c)	748.2 (25/2)	667.5 (27/3)
HOLLAND						
ANP-CBS General (1970)	95.5	95.7	95.5	95.5	97.8 (11/2)	74.0 (27/3)
ANP-CBS Indust. (1970)	64.7	65.2	65.2	65.2	68.2 (11/1)	56.2 (28/3)
HONG KONG						
Hang Seng Bank (31/7/64)	987.95	957.94	955.24	(c)	987.95 (20/6)	738.3 (18/3)
ITALY						
Banca Comm. Ital (1972)	107.74	106.19	106.98	105.21	107.74 (20/6)	95.11 (2/1)
JAPAN						
Dow Average (16/5/49)	6815.65	6791.83	6824.95	6796.80	6904.81 (25/4)	6475.93 (27/3)
Tokyo New SE (4/1/68)	470.01	467.98	468.67	466.94	472.65 (14/2)	448.01 (10/3)
NORWAY						
Oslo SE (1/1/72)	128.88	128.59	127.52	127.79	144.70 (14/2)	110.12 (28/3)
SINGAPORE						
Straits Times (1966)	548.67	545.54	549.18	551.64	548.67 (20/6)	429.75 (5/1)
SOUTH AFRICA						
Gold (1958)	—	(u)	381.6	559.8	650.8 (16/6)	345.6 (13/3)
Industrial (1958)	—	(u)	524.7	524.5	529.1 (28/6)	455.0 (29/1)
SPAIN						
Madrid SE (28/12/79)	100.17	100.53	100.81	101.04	103.25 (21/2)	95.78 (15/6)
SWEDEN						
Jacobson & P. (1/1/58)	(c)	361.62	364.40	356.50	366.98 (1/2)	354.72 (17/1)
SWITZERLAND						
Swiss Bank Co. (31/12/58)	300.60	300.11	298.5	299.3	317.8 (11/2)	284.8 (22/4)
WORLD						
Capital Intl. (1/1/70)	—	141.3	143.4	142.9	145.5 (15/2)	120.5 (27/3)

Base values of all indices are 100 except NYSE All Common—50; Standard and Poors—10; and Toronto—1,000; the last named based on 1975. † Excluding bonds. ‡ 400 Industrials. § 400 Industrials plus 40 Utilities, 40 Financials and 20 Transports. c Closed. u Unavailable.

INTERNATIONAL COMPANIES and FINANCE

Philip Bowring in London analyses the background to the bid for control of Kowloon Wharf.

A costly battle for power and prestige

A BATTLE for power has erupted in Hong Kong in which money no longer seems an object. It has become the means not the end.

The HK$3.3bn ($675m) tender offer by Hong Kong Land Company for 29 per cent of the Hong Kong and Kowloon Wharf and Godown Company, has taken the lid off a long rumbling struggle between two of Hong Kong's largest business empires for control of the land rich Wharf company.

HK Land, which is associated with the Jardine Matheson group, has moved to head off any attempt by the shipping magnate, Sir Yue-kong Pao's World International group to acquire control of the Wharf company through stealth.

If successful, the offer would give the Land a controlling 49 per cent of Wharf without forcing it to bid for the whole of the company. At the price which Land is offering—about HK$100 a share—the market capitalisation of Wharf is around HK$11.6bn ($2.4bn), which probably puts a full bid beyond the reach of any one single group in Hong Kong. But under the local takover rules, there is at present no obligation to make a general offer until a level of 50 per cent is reached.

World International (Holdings), a listed arm of Sir Yue-kong Pao's shipping empire, currently has 30 per cent of Wharf, which it recently acquired from Sir Yue-kong's family companies. Land has 20 per cent and its associate Jardine Matheson a stake whose size is unknown but is believed to be some 5 per cent or less.

Handicapped

Many observers believe that Sir Yue-kong will be hard pressed to come back with a counter offer by the acceptance date of July 11. World International is handicapped by the fact that its cash raising potential is limited by only some 30 per cent of its shares being in outside hands. It is also at present in the throes of a rights issue.

However, as it would have to add little more than 10 per cent to its existing holding to thwart Land it might be prepared to pay an even higher price per share.

By keeping the offer period short and implying that shareholders will be treated on a first come-first served basis, Land is clearly hoping to attract shareholders, including World International into acceptance.

Sir Yue-kong can have little interest in sitting on a 30 per cent holding with no power and a very low yield.

Ironically, Sir Yue-kong, like most entrepreneurs, is known to have been strongly opposed to recent official proposals that Hong Kong's takeover code be tightened to force a full bid at the 30 per cent level, or lower. It has been widely believed that old established European "Hongs" had wanted a change in the rule to give them more protection against acquisition of control through creeping acquisition or market raids by thrusting, local Chinese groups which have prospered with the recent property boom.

Whoever wins this battle will have the satisfaction of acquiring control of big chunk of Hong Kong's scarcest asset—land. But in the short-to-medium term the financial logic is not so clear. Wharf made HK$120m ($20.8m) last year. On the basis of Wharf's expected dividend this year of HK$1.20 a share Land's dividend income from additional investment would be only about HK$40m compared with interest on the loan stock alone of HK$240m before taking account of equity dilution from the share and warrant issues.

Tradition

The Wharf company indeed provides an extraordinary insight into the power struggles which have developed recently, fuelled by profits from the property boom.

Wharf has always been associated with the Land/Jardine group. Under its articles of association, Jardine's chairman is also chairman of Wharf. However, for years this reflected tradition not shareholding power.

In 1977-78, fast-moving property magnate Li Ka-shing—whose Cheung Kong group went on to acquire control of Hutchison International—quietly bought up a stake of nearly 20 per cent in the market—at around a mere HK$20 a share. But he added that the entrenched interests would be too hard to beat and sold out to Sir Yue-kong in September 1978. By then the price had reached HK$35 a share.

Persistent buying by both Pao and Jardine/Land factions, together with the property boom and a general stockmarket buoyancy, gradually pushed the price higher and higher, to reach HK$77 just before the Land offer.

The Land tender offer is essentially the second stage in the Jardine/Land group's effort to maintain their effective control of Wharf and shore up their corporate empire against predators. Last December, they moved to create a pyramid structure. Jardine sold most of its holding in Wharf, and some properties, to Land in return for shares, and consolidating the Jardine/Land group's stake in Wharf into Land, which was in a better cash position. Land's cash position has since been further enhanced by a HK$520m rights issue and the sale of a building for HK$1bn.

Aggressive

The struggle for control of Wharf is sometimes viewed as a battle between Chinese and European interests. In fact, Sir Yue-kong, with his knighthood and a seat on the board of the Hongkong Bank, is very much part of the establishment. But, for the old-established Hongs threats of takeover have seemed very real since Cheung Kong acquired Hutchison.

The HK Land/Jardine camp has responded with an aggressive spirit worthy of the newer groups. Whether or not this develops into a battle royal, or wherever their sympathies lie, small shareholders cannot complain. They have had a very good run for their money.

Italian chemical group plunges further into red

BY RUPERT CORNWELL IN ROME

SOCIETA ITALIANA RESINE (SIR), the most troubled Italian chemical group, yesterday reported overall losses of L847bn ($1bn) for 1979 amid mounting expectation of new moves soon to reorganise the crisis-ridden industry.

The final accounts of a disastrous 1979 show that the total deficit included L250bn of operating losses, reflecting the low level of use of SIR plants, particularly in Sardinia, and the burden of financial charges on outstanding debt. Sales of the group, run by a consortium of creditor banks, totalled L1,050bn ($1.26bn) last year.

The remaining deficit of almost L600bn was due to the transfer of certain outstanding liabilities to the 1979 accounts, as stipulated by the consortium rescue plan approved by the Government last year, and the devaluation of certain assets.

A meeting of SIR shareholders is expected to be held on July 22 to decide a write down of the group's capital to cover the enormous 1979 deficit. Before then, however, it is hoped that firm agreement may be reached on SIR's longer term future.

The continuing plight of SIR and Liquichimica, the other chemical group awaiting definitive reorganisation, has strengthened the likelihood that the Government soon will take more drastic steps to settle the industry's difficulties on a more lasting basis.

It is widely assumed that one way or another ENI, the state energy agency already heavily involved in the sector through its chemicals subsidiary ANIC, will take over the industrial operations of SIR and Liquichimica.

This would amount to a step towards the reorganisation of the industry in Italy into two major groups, one publicly-owned and run by ENI, the other essentially private and headed by Montedison.

Broadly there appear to be three possibilities: the nomination of a special commissioner from ENI to take over completely the industrial management of SIR; liquidation of SIR following which ENI would acquire the viable parts of the group; or for ENI to take over from the banks the holding company of the SIR group, SIR Finanziaria.

ENI, according to this last option, would pay a token price for control. The consortium of creditor banks owning SIR Finanziaria would make over these credits to the state in return for special long-term Treasury bonds. Thus, the Government would become the final creditor of SIR.

Strong upturn continues at Elf

BY TERRY DODSWORTH IN PARIS

ELF-AQUITAINE, the nationalised French oil group which made record profits of FFr 5.9bn ($1.4bn) last year, has continued to achieve a high rate of earnings in the first five months of 1979.

According to preliminary estimates, the company is expecting to make between FFr 3.4bn and FFr 3.7bn in the period to the end of May.

The company says that its proven energy reserves amounted at the end of 1979 to 169m tonnes of oil and 243bn cubic metres of gas, the equivalent of about 10 years' production. Potential reserves, for which Elf holds out considerable hopes, amount to 250m tonnes of oil and 360bn cubic metres of gas.

Despite the improvement in its refinery interests last year following a long period of difficulty, the company says that in the first five months of 1979 it achieved no more than break even in this sector. Elf blames Government pricing policy for this problem, claiming that French refiners face the lowest prices in Europe.

Elf has recently been asked by M. Raymond Barre, the Prime Minister, to produce a plan for reorganising the group, giving it a more decentralised structure and allowing private shareholders to increase their stake in Elf's capital.

Speaking at a press conference, M. Alvin Chalandon, chairman, also attacked the Government for a lack of coherence in its attitude to the group.

He also gave a clear hint that the greater involvement of private capital in the company, now standing at 32 per cent, would be achieved by means of new share offers in which the Government would waive subscription rights.

BASF Brazil investment plan

SAO PAULO—The Brazilian subsidiary of BASF, the West German chemical company, plans a $65m investment programme for 1980 and 1981.

Last year the group earned profits of "only 0.4 per cent" on sales of close to $170m because of financial costs, particularly the devaluation of the Cruzeiro. However, this year had started better, AP-DJ reports.

The investment programme will include a 7,000-ton-per year sodium hydrosulfite plant, which will start up in 1983. Also planned are increased production capacity of cassette tapes, an industrial dye plant, a magnetic-computer-tape manufacturing facility and an agricultural research and development centre.

A group executive said sales volume in Brazil was running 10 per cent above 1979 levels. Profits were up.

McIlwraith wins control of Overseas

By James Forth in Sydney

McILWRAITH-DAVEY INDUSTRIES, the hardware group, yesterday gained control of Overseas Corporation, the household products and building materials group, after heavy sales on the share market by institutional holders.

A total of 6.7m shares, or 16.5 per cent of Overseas' capital was traded on the exchange bringing McIlwraith's total to about 47 per cent.

The Overseas directors yesterday met with the McIlwraith Board and agreed to recommend McIlwraith's offer.

The Overseas Board had staunchly opposed McIlwraith and on Thursday outlined a proposal to borrow up to A$30m ($34.5m) to establish a portfolio of investments, and held out the prospect of higher dividends, a capital return and the possible formation of a property trust.

McIlwraith will send out a formal offer statement next week offering A$1.40 cash or an alternative of one McIlwraith share plus A$4.50 cash for every five Overseas shares.

Tamco buys 8% stake in City Investing

BY IAN HARGREAVES IN NEW YORK

TAMCO ENTERPRISES, the small private company headed and part-owned by Mr. Lyman Hamilton, the former chief executive of International Telephone and Telegraph, yesterday revealed the latest stage in its tactics to win control of City Investing.

Tamco, which had a $1bn takeover offer for City Investing turned down last month, said it had acquired about 3m shares of City's common stock, about 8 per cent of the total.

Mr. Hamilton said that Tamco was now considering renewing what is intended to be a friendly offer to buy the assets of the $5bn-a-year conglomerate, and to turn it into a private company.

Mr. Hamilton, however, faces opposition from Mr. Victor Posner, the Florida businessman who owns 12 per cent of City.

City Investing shares, which have been among the most active on Wall Street this week, were trading at $28 yesterday, up more than $1, but still below the $30 a share which Tamco originally offered.

Meanwhile, in another long-running battle, Simpson timber, a large privately owned Seattle-based forest products company, revealed that it was the mystery buyer who purchased almost 10 per cent of Diamond International in a swoop on the Pacific Stock Exchange at the end of last week.

Diamond, which is in the midst of processing a merger with Brooks Scanlon, also a forest products company, has been engaged in an up and down battle with Sir James Goldsmith's Cavenham Group, which plans to buy up to 40 per cent of Diamond.

Simpson, however, paid 50 cents a share more than the $42 Sir James is offering and there is speculation that Diamond, whose attitude towards Cavenham has sometimes appeared hostile, may be preparing to wriggle out from its truce with Cavenham.

● American Motors Corporation said directors voted to omit the quarterly dividend of 7.5 cents it paid in each of the past three quarters.

Schering raises sales

BY OUR FINANCIAL STAFF

TURNOVER IN the first five months of 1980 has risen by 19.5 per cent for Schering, the West Berlin-based pharmaceutical and industrial chemicals group.

The company expects 1980 sales growth in excess of the 4.5 per cent predicted earlier in the year, shareholders were told at the annual meeting.

Sales growth flattened out in April and May after an unexpectedly strong first quarter when turnover rose 23.3 per cent adjusted for acquisitions and parent company turnover improved by 15.7 per cent. There was a shift to domestic sales in the first five months with an increase of 15.8 per cent.

● Brown, Boveri, the West German unit of the Swiss electrical and engineering group, increased sales by 26 per cent in the first five months of 1980. The annual meeting was also told that the company would have to "rethink its dividend policies" in view of the satisfactory 1979 results and the unchanged payout of DM 8 per share.

In 1979, BBC had net profits of DM 43.6m, little changed from 1978.

COMMODITIES/REVIEW OF THE WEEK

EEC deadlock over cocoa pact policy

BY OUR COMMODITIES STAFF

THE EEC has so far been unable to agree on a common policy for a resumption of negotiations on a new International Cocoa Agreement, Reuter reported from Brussels yesterday.

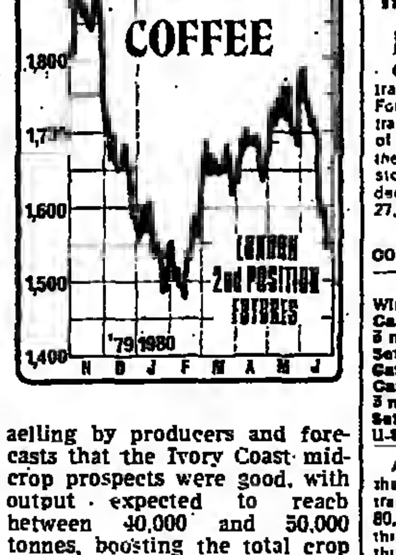
A meeting of experts agreed that talks should be re-opened, but was divided on the attitude that should be taken by the Community. Some countries, led by France, want to stick to the offer made in March of a minimum price range of between 110 to 120 cents a lb, but others—including Britain and West Germany—claim this is unrealistic in view of the fall in the market to well below 110 cents.

Cocoa producers were also discussing this week their attitude to the proposed negotiations for a new pact. The retiring president of the Cocoa Producers Alliance, Carlos Alberto Andrade Pinto, said producing countries would probably accept a lower "floor" price than the 120 cents previously insisted on.

Cocoa prices steadied this week, following the setback resulting from Brazil's decision to scrap its minimum export price of 120 cents. It was felt the market had become somewhat oversold, and there was an encouraging amount of buying from the Soviet Union of Brazilian cocoa at 108 cents.

Nevertheless the upward trend was held back by renewed selling by producers and forecasts that the Ivory Coast mid-crop prospects were good, with output expected to reach between 40,000 and 50,000 tonnes, boosting the total crop to a record 350,000 tonnes.

As a result the September position on the London cocoa futures market was only £13.5 up on the week at £1,115.5 a tonne. Coffee prices fell the lowest level for four months, despite rallying sharply at one stage on renewed fears of frost hitting the Brazilian coffee-growing regions.



The market moved very erratically. Early in the week, prices fell for three consecutive days as speculators, tired of waiting for frost damage to lift prices, reacted to reports that the producers support group, the Bogota Fund, was selling. Prices then jumped on forecasts of frost in non-coffee growing areas of Brazil, but last night the market collapsed again. On the London robusta market yesterday the September position reached a high of £1,625, but closed at £1,541 a tonne—a loss of £157.5 on the week.

World sugar values also moved erratically. The London daily price for sugar gained £9 to £334 a tonne after falling back earlier in the week. On the futures market, however, the October position ended £4.75 down on the week at £386.75 after having fluctuated wildly.

Copper prices were steadied this week by the lack of any progress made at the negotiations over new labour contracts for U.S. copper workers, whose existing contracts expire on June 30.

On the London Metal Exchange cash wirebars gained £15.5 to £857 a tonne and U.S. producers lifted their domestic selling prices by 2 cents to 90 cents a lb, very shortly after having reduced them to 88 cents.

Other metals were steadier in line with copper and aluminium futures jumped sharply yesterday on forecasts of a big drop in warehouse stocks.

A shortage of nearby supplies also boosted tin in London with the cash price gaining £150 yesterday to £7,395 a tonne, £60 up on the week.

WEEKLY PRICE CHANGES

	Latest prices per tonne unless stated	Ch'nge on week	Year ago	1980 High	1980 Low
METALS					
Aluminium	£810/810	—	£710/50	£810/816	£760/70
Free Markets c.i.f.	$1,660/1,670	—30	$1,513/35	$2180/2200	$1636/55
Antimony					
Free Market 99.5%	$3,280/3,330	—20	$3,000/300	$3,435	$3200/3300
Copper Cash Wire Bars	£857	+15.0	£890.3	£1,272	£833
3 months Do. Do	£881.5	+12.75	£904.25	£1,376.3	£856.3
Cash Cathodes	£830	+12.5	£865.0	£1,316	£808
3 months Do	£852	+17	£888	£1,343.0	£832
Gold per oz	$603.3	—3.0	$285.525	$835	$475
Lead cash §	£314	+9	£623	£579	£299.5
3 months §	£323.5	+10.75	£581.25	£4710	£308.75
Nickel	£3,248.35	—	£3,223.4	£3,477	£3,193.78
Free Market c.i.f. lb	270/300c	—	$270/300c	315/345	263/295c
Platinum per oz	£182.50	—	£171	£196	£182.50
Free Market per oz	£271.80	—5.10	£205.3	£466.6	£230
Quicksilver (76lbs.)	$375/385	+3	$300/320	$405/415	$370/380
Silver per oz	673.40p	—14.95	407.90p	2,165.05p	467.80p
3 months per oz	700.0p	—15.35	420.10p	2,186.05p	483.30
Tin cash	£7,325	+60	£7,825	£8,350	£7,235
3 months	£7,320	—42.5	£7,148	£8,385	£7,107
Tungsten Ind	$159.82	—1.91	$141.61	$144.50	$137.75
Wolfram (22.04 lb)	$143/146	+2.5	$146/31	$147/151	$129.50/134
Zinc cash	£296.5	+11	£352	£400	£282
3 months	£306.20	+11	£301.5	$416.5	£292.25
Producers	$780	—	$848	$825	$780
GRAINS					
Barley					
Home Futures	£95.30	—0.30	£91.95	£101.55	£89.95
Maize					
French No. 3 Yellow (Amer)	‡	—	£110	£119	£115
WHEAT					
No. 1 Red Spring	‡	—		‡	‡
Am. Hard Winter	‡	—	£106	£105	£92.75
Eng. Milling (new crop)	‡	—	‡	‡	‡
SPICES					
Cloves (g)	£3,875y	—	£3,850	£4,175	£3,870
Pepper, white	$2,350y	—50	$2,550	$2,825	$2,350
" black	$1,675y	—25	$1,700	$2,025	$1,575
OILS					
Coconut (Philippines)	$640w	—12.50	$1,150	$926	$570
Groundnut 5%	‡	—	‡	£457	‡
Linseed, Crude	£409	+18	£400	$464	£368
Palm Malayan	$557.50t	—2.5	$708	$785	$506
SEEDS					
Copra (Philippines)	$430	—	‡	510	$350
Soyabeans (U.S.)	$265v	+0.50	$347	$304	$260.6
OTHER COMMODITIES					
Cocoa Shipment	£1,177	+14	£1,721	£1,546	£1,114
F'ts 2nd psn	£1,115.5	+13.6	£1,626.5	£1,613.5	£1,063
Coffee Futures Sept	£1,542	—157.5	£2,038.5	£1,784.5	£1,479
Cotton Index	83.85c	+0.05	76.75c	88.40c	83.40c
Des. Coconut	£710	—10	£740	£740	£700
Jute LJ ABW C grade	£212y	—		£225	£212
Rubber kilo	58p	—2	55.75p	90p	55.50p
Sago Pearl	£207y	—	£188	£215	£204
Sisal No. 3 L	£886	—	£700	$885	$860
Sugar (Raw)	£334	+8	£101	£362	£164
Tapioca No. 1	£205y	—	£201	£221	£202
Tea (quality) kilo	148p	+1	134p	150p	132p
" (plain) kilo	73p	—	73p	73p	55p
Wooltops 64s Warp	291p kilo	—2	276p	308p kilo	275p kilo

‡ Unquoted. (g) Madagascar. (x) Aug./Sept. (t) Aug. (w) July/Aug. (y) June/July. (v) July.

MARKET REPORTS

BASE METALS

COPPER—Marginally firmer in quiet trading on the London Metal Exchange. Forward metal opened at £878 and traded around the £880 level for most of the day before edging up to close the late kerb at £882. Warehouse stocks are expected to show a modest decline over the past week. Turnover: 27,675 tonnes.

COPPER	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Wirebars				
Cash	834-.5	+8.25	836.5-7.5	+5.5
3 months	878-.5	+7	881-2	+5.75
Settlem't	854.3	+8	—	......
Cathodes				
Cash			829-31	+8
3 months	827-9	+7	857-9	+8
Settlem't	855.5	+7	—	......
U.S. Prod	289	+7	*88-90	......

Amalgamated Metal Trading reported that in the morning cash wirebars traded at £855, 54, three months £879, 80, 79, 78, 78.5. Cathodes, cash £828, three months £855. Kerb: Wirebars, three months £878, 79.5, 80, 80.5. Afternoon: Wirebars, three months £877, 76, 77, 78.5, 78, 76.5, 80, 81, 80, 80.5, 80, 81. Cathodes, cash £830. Kerb: Wirebars, three months £882, 81, 81.5, 82, 81, 82, 83, 82.5, 82, 83, 82.

TIN—Gained ground. The rise at Penang coupled with strong demand for cash material saw forward metal move up from £7,300 to £7,330 during the morning with the backwardation widening sharply to £60. In the afternoon three months dipped to £7,310 on profit-taking and hedge selling but recovered to end the late kerb at £7,335, with the backwardation at £65. Turnover: 865 tonnes.

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or —
High Grade	£	£	£	£
Cash	7305-75	+60	7385-405	+160
3 months	7345-55	—5	7350-70	+35
Settlem't	7375	+60	—	......
Standard				
Cash	7360-70	+57.5	7390-400	+160
3 months	7310-5	—16	7315-25	+37.5
Settlem't	7370	+60	—	......
Straits E.	£2143	+7	—	......
New York	—		—	......

Morning: Standard, cash £7,380, 90, 98, 70, three months £7,300, 10, 30, 20. Kerb: Standard, three months £7,310, 20. Afternoon: Standard, three months £7,310, 20, 30. Kerb, Standard, three months £7,330, 35.

LEAD—Moved ahead during the late kerb dealing, reflecting short covering and fresh buying, to end the day at £329, despite forecasts of a rise in stocks. Turnover: 8,425 tonnes.

LEAD	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Cash	314-5	+3	313.5-4.5	+3
3 months	323.5-4	+3.25	323-4	+3
S'ment	315	+8	—	......
U.S. Spot	—	......	*36-40	......

Morning: Cash £316, 15, three months £326, 25.5, 25, 24. Kerb: Three months £324. Afternoon: Cash £315, three months £324, 23, 23.5. Kerb: Three months £324, 25, 56, 27, 28, 29.

ZINC—Held steady throughout the day to close the afternoon kerb at £305.5, after extremes of £303 and £308. Turnover: 7,900 tonnes.

ZINC	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Cash	293.5-4	+8	295-6	+3.75
3 months	305-.5	+2	305-.5	+2.5
S'ment	284	+8	—	......
Primw'te	—	......	*35.5	......

Morning: Cash £293.5, three months £303, 5.5, 6, 5.5. Kerb: Three months £306. Afternoon: Three months £306. Kerb: Three months £306.5.

ALUMINIUM—Gained ground following forecasts of a substantial decline in stocks over the past week. After opening at £705 three months metal moved ahead throughout the day to close at £720. Demand for cash metal established a £6 backwardation at the close. Turnover: 7,175 tonnes.

Alumin'm	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Spot	712-4	+18.5	721-2	+26
3 months	713-4	+11.7	717.5-8.5	+17.5

Morning: Cash £714, three months £709, 10, 11, 12, 14, 13, 14. Kerb: Three months £714, 13. Afternoon: Cash £720, three months £711, 13, 14, 13, 13.5, 15, 14, 16, 16, 19, 17, 18. Kerb: Three months £718, 19, 20.

NICKEL—Moved narrowly in quiet and routine trading prior to closing the late kerb at £2,775. Turnover: 354 tonnes.

NICKEL	a.m. Official	+ or —	p.m. Unofficial	+ or —
Spot	2735-40	+7.5	2720-5	—7.5
3 months	2775-80	—10	2775-80	—16

Morning: Cash £2,735, 40, three months £2,785, 90, 88, 85, 80. Kerb: Three months £2,780. Afternoon: Cash £2,730, 20, three months £2,785. Kerb: Cash £2,718, three months £2,775.

* Cents per pound. ‡ $M per picul. † On previous unofficial close.

SILVER

Silver was fixed 8p an ounce higher for spot delivery in the London bullion market yesterday at £6.734. U.S. equivalents of the fixing levels were: spot $15.71, up 21c; three-month $16.039, up 19.4c; six-month $16.387, up 18.4c; and 12-month $17.121, up 32.3c. The metal opened at £6.7-£6.85 ($15.7-$16) and closed at £6.85-£6.8 ($15.55-$15.8).

SILVER per troy oz.	Bullion fixing price	+ or —	L.M.E. p.m. Unofficl.	+ or —
Spot	673.40p	+8.0	671p	+1
3 months	700p	+8.20	699p	+1.6
6 months	722p	+8.20	—	......
12months	765p	+8.29	—	......

LME—Turnover 67 (179) lots of 10,000 ounces. Morning: three months 706, 3, 2, 1, 3, 4. Kerb: three months 705. Afternoon: cash 870, three months 699, 700, 698. Kerb: three months 699, 98, 700, 698.

COCOA

Failing to make the dues this morning futures eased on light selling and levels held steady throughout the day to the closing call, reports Gill and Duffus.

COCOA	Yesterd'ys Close	+ or —	Business Done
July	1102-03	—5.0	1115-02
Sep	1113-16	—6.0	1125-15
Dec	1159-60	—5.5	1170-57
March	1186-98	—7.5	1209-1196
May	1223-24	—4.5	1267-83
July	1240-50	—8.5	1249-47
Sept	1260-80	—7.5	—

Sales: 1,898 (1,314) lots of 10 tonnes.

COFFEE

Early gains of £20-£25 were eroded during the afternoon when the New York market fell to the 4 cent limit loss and any chance of a weekend frost in Brazil was ruled out. This induced a closing call of over an hour's duration when values lost as much as £50 in spectacular trading conditions and prices finally closed at the lows well down on Thursday night, reports Drexel Burnham Lambert.

COFFEE	Yesterday's Close	+ or —	Business Done
	£ per tonne		
July	1488-90	—57.0	1570-1488
Sept	1541-43	—55.5	1665-1541
Nov	1564-65	—68.5	1655-1580
January	1568-70	—68.5	1659-62
March	1530-50	—61.5	1610-1585
May	1500-45	—60.0	1610
July	1500-50	—55.0	1585

Sales: 6,663 (5,762) lots of 5 tonnes.

ICA indicator prices for June 19 (U.S. cents per pound): Other Mild Arabicas 176.33 (174.17). Robustas ICA 1976 166.00 (165.00). ICA 1968 166.25 (165.75). Unwashed Arabicas 207.50-208.50. Comp. daily ICA 1968 184.89 (184.53).

WOOL FUTURES

SYDNEY GREASY WOOL—Close, (in order buyer, seller, business, sales). Australian cents per pound. July 468.0, 466.5, 468.0-465.0, 105; Oct. 455.0, 456.0, 458.0-455.9, 80; Dec. 458.5, 459.0, 458.5-457.0, 96; March 462.0, 462.5, 464.0-462.0, 43; May 463.0, 463.5, 464.5-463.0, 54; July 465.0, 466.0, 466.5-465.0, 8; Oct. 466.0, 468.0, 468.0-465.5, 2; Dec. 466.0, 468.0, 466.0-466.0, 4. Sales: 398.

GRAINS

HGCA—Locational ex-farm spot prices. Feed—Barley: Eastern 94.00, E. Midlands 90.20, N. East 92.00, Scotland 93.00.

Mnth	WHEAT Yesterday close	+ or —	BARLEY Yesterday close	+ or —
Sept	94.95	+0.25	91.40	+0.25
Nov	98.90	+0.25	95.30	+0.20
Jan	102.70	+0.20	99.10	+0.20
Mar	106.15	+0.20	102.40	+0.14
May	108.50	+0.15	105.60	+0.10

Business done—Wheat: Sept. 95.00-94.80, Nov. 98.95-98.75, Jan. 102.65-102.60, Mar. no trade, May 109.55-109.45. Sales 81 lots of 100 tonnes. Barley: Sept. 91.40-91.20, Nov. 95.35-95.20, Jan. 99.20-99.10, Mar. no trade, May 105.60-105.60. Sales 101 lots of 100 tonnes.

LONDON GRAIN FUTURES—The market opened unchanged to 10p higher. A steady demand for wheat increased values in fairly quiet trade to close 20p-25p higher. Barley saw some good commercial buying interest in the nearby options which rallied the market to close steady on the day, reports Acli.

Imported—Wheat: U.S. Dark Northern Spring No 2 14 per cent July 95.00, Aug. 95.00, Sept. 97.25 transhipment east coast sellers. English Feed fob Sept. 99.25, Oct. 100.75 quoted east coast. Maize: French June 102.00, July 120.25 east coast sellers. S. African Yellow July/Aug. 80.00. Barley: English Feed fob Sept. 94.25, Oct. 99.00, Jan./March 105.00, April/June 110.00 east coast sellers. Rest unquoted.

RUBBER

The London physical market opened slightly easier with little interest throughout the day closing on an uncertain note. Lewis and Peat reported a Malaysian godown price of 288 (same) cents a kg (buyer, July).

Sales: 428 (285) at 15 tonnes, 2 (4) at 3 tonnes.

No. 1 R.S.S.	Yest'rdays Close	Previous Close	Business Done
July	58.40-58.80	58.40-58.50	58.40-58.50
Aug	59.70-59.30	60.30-60.50	—
Jly.-Sept	59.70-59.80	60.40-60.50	60.00-59.40
Oct.-Dec	63.20	63.30	63.50-63.70	63.50-63.00
Jan-Mar	66.20-66.30	66.90-66.00	66.70-66.00
Apr-Jne	69.00	69.70	69.20-69.40	69.00-68.70
Jly.-Sept	71.60-71.70	71.80-72.10	72.00
Oct-Dec	74.20-74.30	74.40-74.60	74.60-75.0
Jan-Mar	75.80-76.70	76.90-77.00	76.70-76.4

Physical closing prices (buyer) were: Spot 58.00p (58.50p), July 61.00p (82.25p), August 62.00p (62.75p).

SOYABEAN MEAL

The London market opened with losses of 50p to £1 on profit-taking, reports T. G. Roddick. Prices remained on the defensive and finished at opening levels.

	Yest'rday Close	+ or —	Business Done
	£ per tonne		
June	—		—
August	101.20-01.5	—0.65	101.50-01.30
October	102.20-02.3	—0.50	102.40-02.20
December	105.70-05.8	—0.65	105.90-05.70
February	108.50-08.7	—1.05	109.00-08.80
April	110.70-11.0	—1.10	—
June	112.50-13.5	—1.25	—

Sales: 126 (93) lots of 100 tonnes.

SUGAR

LONDON DAILY PRICE (raw sugar): £334.00 (£330.00) a tonne cif for June-July-Aug. shipment. White sugar daily price was £347.00 (same).

Prices were £2-£3 higher on the opening but these levels were short-lived, commission house profit-taking met only limited buying and prices drifted away over the remainder of the day. Some of the late selling was attributed to an agency report that Thailand was perhaps to begin exporting again shortly, reports C. Czarnikow.

Sugar Pref. Comm. Con.	Yest'rdays Close	Previous Close	Business Done
	£ per tonne		
Aug	374.80-74.50	372.00-72.75	380.00-68.00
Oct	386.60-87.00	387.60-88.60	397.00-85.00

Sales: 4,444 (4,978) lots of 50 tonnes.

NUMBER 4 CONTRACT—Close (in order buyer, seller only). Aug. 362.00-364.00, Oct. 380.80-381.00, Jan. 392.00-393.00, March 399.25-399.45, May 393.00-395.00, Aug. 384.00-385.00, Oct. 378.00-380.00. Sales: 4,972 (4,523).

Tate and Lyle ex-refinery price for granulated basis white sugar was £324.7 (same) a tonne for home trade and £459.00 (£459.50) for export.

International Sugar Agreement (U.S. cents per pound fob and stowed Caribbean port). Price for June 19: Daily price 32.78 (31.18). 15-day average 30.53 (30.59).

POTATOES

POTATO FUTURES—End of week profit-taking and book-squaring caused erratic price movements but the undertone was steady, reports Coley and Harper. Closing prices: Nov. £64 a tonne + £0.20 (high, £46.20, low £45.40) Feb. £53.50 + £0.50 (high £53, low £52.10); April £59.80 + £0.80 (high £59.70, low £58.80). Turnover 53 (75) lots of 40 tonnes each.

COTTON

LIVERPOOL—Spot and shipment sales amounted to 110 tonnes, bringing the total for the week to 304 tonnes, compared with 233 in the previous week. Slack tendencies again prevailed, with not more than occasional support purchases. Activity was mostly in American type styles.

AMERICAN MARKETS

NEW YORK, June 20.

THE LIVESTOCK complex advanced on evening up ahead of the quarterly pig crop report. Copper finished higher on news of a strike in a major smelter in Butte, Montana. Continued selling by Brazil further depressed the cocoa market. Coffee was unable to break the string of limit declines as producer countries offered little support. Sugar declined sharply on commission house profit taking. Cotton attracted some new trade buying and finished higher. Grains and soyabeans rallied on the close and wound up with minor gains, reported Heinold.

Potatoes (round whites)—Nov. 75.2-75.5 (75.0), March 82.4-83.0 (81.3), April 109.1-109.8. Sales: 1,514.

Sugar—No. 11: July 33.75-33.90 (34.64), Sept. 35.50-35.55 (36.17), Oct. 35.30-36.50, Jan. 36.70-37.50, March 37.95-38.00, May 37.20-37.30, July 36.20-36.25, Sept. 35.05-35.15, Oct. 34.80-35.00. Sales: 8,198.

Tin—778.00-779.00 asked (768.00-778.00).

CHICAGO, June 20.

Lard—Chicago loose 18.00 (17.75). New York prime steam unavailable.

Chicago Imm Gold—June 603.5 (607.0), July 606.0 (609.0), Sept. 614.5-613.5, Oct. 619.5, Dec. 631.0-630.0, Jan. 636.0, March 647.0-646.0, April 652.0.

Live Cattle—June 68.95-69.10 (68.97), Aug. 67.25-67.35 (66.20), Oct. 65.50-65.35, Dec. 66.60-66.50, Jan. 67.15, Feb. 67.40-67.47, April 67.95-68.00.

Live Hogs—June 40.00-39.50 (39.90), July 38.45-38.05 (37.57), Aug. 37.90-36.00, Oct. 37.75-37.55, Dec. 40.95-41.00, Feb. 43.60-43.45, April 42.82, June 44.70, July 45.22.

‡‡Maize—July 280½-281 (280), Sept 286½-287½ (286¼), Dec 293½-294, March 306½-306, May 313½-312½, July 318½.

Pork Bellies—July 30.75-31.05 (29.20), Aug. 30.90-30.60 (29.32), Feb. 45.70-47.72, March 48.25-48.20, May 49.35, July 49.30, Aug. 48.65.

Silver—June 1555.0 (1553.0), July —— (1562.0), Aug. 1570.0-1573.0, Oct. 1599.5, Dec. 1620.5, Feb. 1653.5, April 1680.5, June ——, Aug. 1734.5, Oct. 1761.5, Dec. 1788.5, Feb. ——, April 1842.5, June 1869.5, Aug. 1896.5, Oct.

Soyabeans—July 634-635 (630), Aug. 642-642½ (638¼), Sept 651, Nov 665½-666½, Jan. 680½-681½, March 697, May 709-710, July 718½.

Soyabean Meal—July 172.7-172.6 (72.41), Aug. 175.8-175.7 (175.51), Sept. 178.6, Oct. 181.4-181.5, Dec. 186.1-186.0, Jan. 188.5-188.3, March 193.4-193.6, May 197.5-198.0, July 201.5-202.0, Aug. ——.

Soyabean Oil—July 22.12-22.10 (21.85), Aug. 22.35-22.36 (22.11), Sept. 22.57-22.60, Oct. 22.80-22.85, Dec. 23.15-23.12, Jan. 23.25, March 23.50, May 23.80, July 24.05, Aug. 24.15-24.20.

‡Wheat—July 412-413 (408), Sept 423¾-425 (418¾), Dec 441½-443, March 456-456½, May 462, July 466.

All cents per pound ex-warehouse unless otherwise stated. * $ per troy ounce. ¶ Cents per troy ounce. ‡‡ Cents per 56-lb bushel. † Cents per 60-lb bushel. || $ per short ton (2,000 lbs). § $Can. per metric ton. §§ $ per 1,000 sq. feet. ‡ Cents per dozen.

INDICES

FINANCIAL TIMES

June 19	June 18	M'nth ago	Year ago
264.08	264.24	270.83	298.92

(Base: July 1, 1952=100)

MOODY'S

June 19	June 18	M'nth ago	Year ago
1140.9	1137.8	1090.5	1107.8

(December 31, 1931=100)

DOW JONES

Dow Jones	June 19	June 18	Month ago	Year ago
Spot	429.08	428.42	431.24	424.38
F'tur's	442.54	439.98	443.43	456.15

(Average 1924-25-26=100)

REUTERS

June 20	June 19	M'nth ago	Year ago
1672.3	1674.8	1714.0	1640.9

(Base: September 18, 1931=100)

LONDON NEW ZEALAND CROSSBREDS—Close (in order buyer, seller, business, sales). New Zealand cents per kg. Aug. 364, 366, 361, 2; Oct. 365, 366, 366, 1; Dec. 364, 366, 366-363, 5; Jan. 367, 369, 369-367, 13; March 373, 378, 375-373, 18; May 374, 378, 375-374, 12; Aug. 374, 377, nil, nil; Oct. 374, 377, 376, 4; Dec. 376, 382, 377-376, 10. Sales: 65.

GRIMSBY FISH—Supply good, demand good. Prices at ship's side (unprocessed) per stone: Shelf cod £3.60-£5.00, codlings £2.50-3.50; medium haddock £4.20-£4.60, small £2.60-£3.20; large plaice £5.00, medium £4.50, best small £3.00-£4.00; large skinned dogfish £7.00, medium £6.50; lemon soles £7.00.

MEAT/VEGETABLES

MEAT COMMISSION—Average fatstock prices at representative markets on June 20. GB cattle 90.35p per kg lw (−0.40). UK sheep 150.5p per kg. est dcw (+1.75). GB pigs 68.65p per kg lw (+1.32).

COVENT GARDEN—Prices in sterling per package except where otherwise stated. Imported Produce: Oranges—Jaffa: Valencia Lates 2.80-4.00; Moroccan: 54/113's 3.40-4.30; Cyprus: Valencia Lates 3.60-4.50; Arizona: Valencia Lates 72/113's 3.50-5.00; Outspan: Navels 3.80-4.65. Lemons—Italian: 100/150's 3.00-3.50; Spania: Trays 25/45's 1.89-2.00, boxes 4.40-5.50. Grapefruit—Outspan: 4.00-4.55. Apples—New Zealand: Sturmer Pippins 8.40-8.50, Red Delicious 138's 9.20, Richared 9.00-9.20, Granny Smith 9.00-9.20; Victorian: King Cole 9.20-10.00; Tasmanian Sturmer Pippins 8.20-8.40; South African: Golden Delicious 8.50-8.80, Yorks 8.80, Granny Smith 8.60-9.00; Dutch: 22 lb Golden Delicious 2.40; French: 40 lb boxes, Golden Delicious 138/198's 5.80-6.50, 20 lb

Stock Exchange dealings

Thursday, June 19	23,114
Wednesday, June 18	28,475
Tuesday, June 17	26,446
Monday, June 16	26,733
Friday, June 13	21,642
Thursday, June 12	21,166

The list below gives the prices at which bargains were done by members of the Stock Exchange and recorded in last Thursday's Stock Exchange Daily Official List. For those securities not marked in Thursday's List, we show the latest markings recorded during the previous four business days. These are distinguished by the dates shown in parentheses.

The number of dealings marked on Thursday in each section follows the name of the section. Unless otherwise denoted, shares are £1 fully paid and stock £100 fully paid.

Members are not obliged to mark bargains, except in special cases, and the list cannot, therefore, be regarded as a complete record of prices at which business has been done. Bargains are recorded in the Official List up to 2.15 pm only, but later transactions can be included in the following day's Official List. The figures shown above, on the other hand, are the total number of bargains transacted in all securities up to 3.30 pm. No indication is available as to whether a bargain represents a sale or purchase. Markings are not necessarily in order of execution, and only one bargain in any one security at any one price is recorded.

‡ Bargains at Special Prices. Δ Bargains done with or between non-members. ⊕ Bargains done previous day. § Bargains done with members of a recognised Stock Exchange. ♣ Bargains done for delayed delivery or "no buying-in." SA—SAustralian; SB—SBahamian; SC—SCanadian; SHK—SHong Kong; SJ—SJamaican; SMa—SMalayan; SMe—SMexican; SNZ—SNew Zealand; SS—SSingapore; SUS—SUnited States; SWI—SWest Indian.

EUROPEAN OPTIONS EXCHANGE

Series		July Vol.	July Last	Oct. Vol.	Oct. Last	Jan. Vol.	Jan. Last	Stock
ABN C	F.260	—	—	5	37.50	—	—	F.296.50
ABN G	F.280	—	—	12	81	—	—	"
ABN C	F.300	6	5.60	7	10	—	—	"
AKZ G	F.22.50	6	2.10	—	—	—	—	F.24.10
AKZ C	F.25	31	0.60	37	1.60	16	2.30	"
AKZ C	F.27.50	—	—	80	0.70	—	—	"
AKZ P	F.22.50	—	—	—	—	18	0.80	"
AKZ P	F.25	—	—	2	1.60	—	—	"
AR2 G	F.65	2	2.70	—	—	—	—	F.66.70
EK G	$45	1	16	—	—	—	—	$57⅞
HEI G	F.60	10	1.30	25	2.60	—	—	"
HEI C	F.65	—	—	2	1.50	—	—	"
HEI P	F.60	—	—	6	6	—	—	"
HEI P	F.65	—	—	32	7	—	—	"
HO C	F.20	20	0.10	2	0.60	—	—	F.16.60
IBM C	$55	65	5⅛	—	—	—	—	$59⅝
IBM C	$60	—	-	2	1⅝	—	—	"
IBM G	$65	10	1/16	5	⅝	—	—	"
KLM C	F.60	6	2.80	60	8.50	—	—	F.60.60
KLM G	F.70	—	—	76	8.30	—	—	"
KLM C	F.80	—	—	3	1.20	—	—	"
KLM P	F.60	97	8	3	4.90	—	—	"
KLM P	F.70	20	10	1	10.60	—	—	"
KLM P	F.80	10	18.50	—	—	—	—	"
NAT G	F.104.50	2	10	4	11.50	—	—	F.114.30
NAT C	F.109.10	2	5.10	1	7.20	—	—	"
NN G	F.110	—	—	8	7.50	1	9	"
NN C	F.120	—	—	14	2.20	5	4.60	"
PHI C	F.17.50	—	—	10	1.50	—	—	F.17.90
PHI C	F.80	—	—	30	0.40	—	—	"
PHI P	F.20	2	2	—	—	—	—	"
PRD G	$26	—	—	—	—	2	3⅛	$24¾
RD G	F.140	—	—	151	28.80	—	—	F.169
RD G	F.150	18	18.70	33	19	—	—	"
RD C	F.150	130	9.60	99	11.20	—	—	"
RD G	F.170	165	2.50	104	6	56	7.10	"
RD P	F.140	—	—	10	0.70	—	—	"
RD P	F.146	—	—	6	1.40	—	—	"
RD P	F.150	—	—	19	2.20	—	—	"
RD P	F.160	184	0.90	17	6.50	1	6.50	"
RD P	F.170	151	4.50	2	10.60	2	12	"
UNI D	F.110	—	—	10	2	4	11	F.118.80
UNI C	F.115	6	2.30	8	9	—	—	"
UNI C	F.120	9	0.50	11	2	49	3	"
UNI P	F.110	4	0.60	16	1.50	—	—	"
UNI P	F.115	—	—	1	3.50	—	—	"
UNI P	F1.20	—	—	5	6.70	—	—	"
		Aug.		Nov.		Feb.		
BAS C	DM.190	5	9	—	—	—	—	DM149.20
BAS G	DM.150	—	—	30	4.50	—	—	"
SLB G	$110	5	10	4	13	—	—	$115⅞
SLB G	$120	4	3½	4	7½	—	—	"
VW C	DM.180	6	6.60	—	—	—	—	DM184.50

TOTAL VOLUME IN CONTRACTS 1986

C=Call P=Put

Miscellaneous (110)

Amax Com. (US$1) £21⅛. 6pcDbs. (US$100) £30 (17/6)
Beralt Tin (25p) 52⊕
Charter Consd. (Reg.) (2p) 195⊕ 50⊕ 96 00 87 92 3 5½ 83 2 97
Consolidated Gold Fields (25p) 477⊕ 60 60 07 5 3 2 90. 7¼pcLn. 59. 8¼pc Ln. 65½ (13/6)
El Oro Mng. Expln. (10p) 65 (18/6)
Geevor Tin (25p) 170 (18/6)
Gopeng Consd. (25p) 420 30 (17/6)
Idris Hyd. Tin (10p) 93 (18/6)
Malayan Tin (M$1) 800 (16/6)

ACTIVE STOCKS

YESTERDAY—

Stock	Denomination	No. of marks	Closing price (p)	Change on day	1980 high	1980 low
LASMO	25p	10	712	+19	712	337
RTZ	25p	10	425	+17	485	327
Boots	25p	8	217	+ 3	218	158
ICI	£1	8	384	+ 2	402	348
Barclays Bank	£1	7	405	+ 5	408	327
GEC	25p	7	394	+ 7	395	326
Marks & Spencer	25p	7	96	+ 1	97	77
Selection Trust	25p	7	£11¼	+ 1¼	£11¼	588
Western Mining	$A0.50	7	265	+19	265	177
Courtaulds	25p	6	73	+ 3	79	64
European Ferries	25p	6	160½	− 1½	164	98
GKN	£1	6	256	—	279	230
Imperial Group	25p	6	86	+ 1½	86	71½
Land Secs. 'New'	Nil/pd.	6	64pm	—	70pm	44pm
Racal Electronics	25p	6	259	—	265	175

ON THE WEEK—

Stock	Denomination	No. of marks	Closing price (p)	Change on week	1980 high	1980 low
Racal Electronics	25p	50	259	+ 5	265	175
Barclays Bank	£1	49	405	+28	408	327
RTZ	25p	48	425	+23	485	327
GEC	25p	46	394	+23	395	326
BP	25p	44	366	− 4	412	320
ICI	£1	43	384	+ 8	402	348
Land Secs. 'New'	Nil/pd.	43	64pm	+ 1	70pm	44pm
NetWest Bank	£1	43	378	+16	380	305
Selection Trust	25p	41	£11¼	+ 5⅛	£11¼	588
Boots	25p	40	217	+19	218	158
LASMO	25p	40	712	+42	712	337
Marks & Spencer	25p	40	96	+ 4	97	77
Pilkington	£1	39	282	+26	237	187
European Ferries	25p	38	160½	+ 6½	164	98
Shell Transport	25p	38	404	—	410	314

PROPERTY (201)

TEA (1)

CANALS

WATERWORKS (3)

RULE 163 (1) (e)

Bargains marked in securities which are quoted or listed on an Overseas Stock Exchange.

* Denotes Irish currency.

JUNE 19

JUNE 18

JUNE 17

JUNE 16

JUNE 13

Rhodesian (1)

South African (33)

West African

Diamond (4)

OIL (254)

RUBBER (4)

UK RAILWAYS (2)

FOREIGN RAILWAYS

SHIPPING (33)

Brit. Cmmnwlth Shpng. (50p) 298 300 1

Caledonia Inv. (25p) 257 (17/6)

Common Bros. (50p) 292 (17/6)

Fisher (James) (25p) 190 New (25p) 190 90 5

Graig Shipping £15¼ (18/6)

Hunting Gibson (25p) 03 1 (13/6)

Jacobs (John I.) (20p) 32 1 ½ (17/6)

London Overseas Freighters (25p) 29

Lyle Shipping (25p) 260

KCA International (25p) 80½ 1

London and Scottish Marine (25p) 695 88 900 9 78 90 2 1½ 83 8 93 85

Oil Production Units (10p) 965. 14pcLn. 99¼ 100 (17/6)

Premier Cons. Oilfields (5p) 92½ 2 1½ 1 90½

Ranger Oil (Canada) 13 12¼ ½

Royal Dutch Petroleum (Fl20) 37.60 37.60 37.90 37⅝

Shell Transport and Trading (25p) 401 6 4 400 2 1. (Br.) (25p) 400. 7pcPf. 53½ 4 (18/6)

RULE 163 (2) (a)

Applications granted for specific bargains in securities not listed on any Stock Exchange.

* Denotes Irish currency.

JUNE 19

JUNE 18

JUNE 17

Allstate Expln. 65

American Teleph. & Teleg. £22¼ ½

Ashton Mining 139 8

Australian Cons. Minerals 17 17 19

Australian Oil & Gas 102

Basic Resources 460 5

Bond Corpn. 100

Bougainville Copper 120 18 17

Bridge Oil 184 5

Brunswick Oil 14 14

CSR 338

Callahan Mining US$23¾

Central Pacific Minerals £30½ 30

Ciba Geigy 7¼pc Conv. £97¾ 80

Claremont Capital 630

Columbia Pictures £12¼

Conzinc Riotinto 270 US$6.24

Cultus Pacific 34

Cultus Pacific Options 230

Double Eagle 14 2

Dunlop (Australia) 35

Endeavour Resources 25 7 8½ 8 7½ 8 ¼

Ensearch £14¼ ½

Exxon Corpn. £29 8¾

Gearhart Owen £27½

JUNE 16

JUNE 12

Dyson (R. A.) A17

Edinburgh Secs. 236½

Exchem 120

GRA Prop. Trust 18½ 19 ¾ 20 ¼

Hardey Baird 3

Heavitree Brewery 880 2¼

Hydro Hotel Eastbourne 300

Invicta 7 ½

Javelin Equity Trust 144

Jenkin & Purser 8 ½ ¾ 7 ½

Le Riches Stores 305

London & Continental Advertising 14

Maddock 5

Maddock 7½pcUns.Cnv. £20

Manchester United FC 195

Dolenne 15 12½ ¾

Edinburgh Secs. 236 9 234 7

GRA Prop. Trust 18¼ 18 19½ ¾ 20

Gibbs Mew ½ ¾ 19 ¼ ½

Global Nat. Resources Props. 385 400 US$8¼ ½ 0¼ ¼

Heavitree Brews. A 880 2¼

Hemerdon Mining & Smelting 162

Jenkin & Purser 132 135

Kellock 5½ 8

Kellock 11pcRed.Pf. 93 100

Kellock Cnv.Ln. (1st Series) 100

Kenmare Oil Exploration 69 70 72

Kennedy Brookes 74 5

Kotmalie Valley Ests. of Ceylon 8 ½ 7½

Le Riches Stores 298 305 7 10 300 5

London & Continental Advertising 14

London & Continental Advertising (20p) 14

Manx Petroleum 32

Merrydown Wine 38

Morley (R. H.) 95

Nationwide Leisure 5 ½

New Court Natural Resources 45 8

North Sea Assets 98 7 0 95 8 78 100

Norton Villiers Triumph 4

Oldham Brewery 88 8

PMPA 43

Quest Automation 138

Sinclair (William) 58

Southern Newspapers 170 172 3

Twinlock 12 13

Webber Electro Comps. 87

Welsh Industrial Inv. 88

RULE 163 (3)

Bargains marked for approved companies engaged solely in mineral exploration.

* Denotes Irish currency.

JUNE 19

Aran Energy 456. 6 9 80 4 8 70 6

Berkeley Exploration Production (50p pd) 188 200 2 3 5 8 7 8 10 12 13

Candecca Resources 169 70 1 2 3 4 5 8 7 8 80 1 2 5 4 5 8 8 9

CCP North Sea Associates 265 8 7 8 0 70 2

Cluff Oil 350

Gas Oil Acreage 395

JUNE 18

Aran Energy 470 2 4 5 8 7 8

Berkeley Exploration & Production (30p Paid) 205 8 7 6 9 10 11 12 13 15 17 16 18 22

Candecca Resources 171 2 3 4 5 8 7

CCP North Sea Associates 285 7 8 9 70

Cluff Oil 340 5 50 5

Gas & Oil Acreage 395

Pict Petroleum 415 28 5 30 5

Siebens Oil & Gas (UK) 247 8 9 50 2 3

South West Consolidated Minerals New 50 ½ 1 2

Sun Oil Company (UK) Oil Royalty 785 90

JUNE 17

Aran Energy 460 2 3 4 8 70 4

Berkeley Exploration & Production 204 8 10 12 13 15 18 17 18 19 20 2 3 4 5 8 7

Candecca Resources 172 4 5 8 7 8 8 80 1

CCP North Sea Associates 282 5 7 8 70

Cluff Oil 353 5

Pict Petroleum 420 5 30 2 5 40

Siebens Oil & Gas (UK) 244 8 9 50 2 3 4

South West Consolidated Mineral 50 ½ 1 ½ 2 ½

JUNE 16

Aran Energy 450 2 3 4 5 8 8 80 2 4

Berkeley Exploration & Production (50p Paid) 225 7 8 30 2 3 4 5 8 ½ 7 8 ½ 9 40

Candecca Resources 183 4 5 6 7 8 9 78 1 2 3 4 5 8 7 8 9 80 1 2

CCP North Sea Associates 263 5 7

Cluff Oil 345 50 5

Cluff Oil Cnv. A 345

Gas & Oil Acreage 395 400

Pict. Petroleum 430 5 40 5

Siebens Oil & Gas (UK) 345 8 50 1 2 3 5 8 7 8

South West Consolidated Minerals New 49 ½ 50 ½ 1 2

Sun Oil Company (UK) Oil Royalty 780 90 5 800

JUNE 13

Aran Energy 424 6 7 8 30 1 2 8 8 ...

Candecca Resources 157 8 ½ ¾ 9 ½ 60 1 2 3

CCP North Sea Assoc. 262 3 5 7 9

Cluff Oil 345 50 1½ 5 8½ 80

Gas & Oil Acreage 395 9

Pict Petroleum 405 9 10 15 18 20 ¾ 5 7 50 5

Siebens Oil & Gas (UK) 227 8 9 30 2 ½ 3 4 5 7 8 9 40 2 3 4 5 8 7 8

South West Cons. Minerals New 45 ½ 8 ½ 7 ½ 9

Sun Oil Company (UK) Oil Royalty 785 75

(By permission of the Stock Exchange Council)

LOCAL AUTHORITY BOND TABLE

Authority (telephone number in parentheses)	Annual gross interest	Interest payable	Minimum sum	Life of bond
	%		£	Year
Knowsley (051-548 6555)	14¼	½-year	1,000	1
Redbridge (01-478 3020)	13¾	½-year	200	3-4
Redbridge (01-478 3020)	13¾	½-year	200	5-6

BUILDING SOCIETY RATES

	Deposit rate %	Share accounts %	Sub'pn shares %	*Term shares %
Abbey National	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Aid to Thrift	10.85	11.37	—	—
Alliance	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Anglia Hastings and Thanet	10.25	10.50	11.75	13.00 6 yrs., 12.50 5 yrs.
Bradford and Bingley	10.25	10.50	11.75	11.25 one month's notice deposit
Bridgwater	10.25	10.50	12.00	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Bristol and West	10.25	10.50	11.75	—
Bristol Economic	10.25	10.50	11.75	10.75 3 months
Britannia	10.25	10.50	11.75	12.50 5 yrs., 11.25 3 months' notice
Burnley	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Cardiff	10.50	11.50	12.50	—
Catholic	10.05	10.75	11.65	— Share a/cs 10.95 over £5,000
Chelsea	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.55 6 mths.
Cheltenham and Gloucester	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Cheltenham and Gloucester	—	11.50	—	— Premium shares including 1.00 bonus p.a. (£15,000 or £20,000)
Citizens Regency	10.25	10.85	12.05	12.85 5 yrs., 12.35 4 yrs., 11.58 3 yrs.
City of London (The)	10.50	10.80	11.80	12.00 Capital City shares—4 mth. not.
Coventry Economic	10.25	10.50	11.75	12.00 4 yr., 11.5 3 yr., 11.25 3 mth. not.
Coventry Provident	10.25	10.50	12.50	12.55 av. 5 yrs., 12 4 yrs., 11.25 3 m.n.
Derbyshire	10.25	10.50	11.75	11.10 3 months' notice
Ealing and Acton	10.25	11.00	—	11.65 2 years. £2,000 minimum
Gateway	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Greenwich	—	10.75	12.00	12.75 5 yrs., 12.25 4 yrs., 11.75 3 yrs.
Guardian	10.25	10.75	—	12.25 6 mths. not., 11.75 3 mths. not. min. £1,000
Halifax	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Heart of England	10.25	10.50	11.75	12.50 5 yrs., 11.00 3 mths. notice
Hearts of Oak and Enfield	10.25	10.75	12.25	12.00 4 yrs., 11.75 3 yrs., 11.50 2 yrs.
Hendon	10.50	11.00	—	12.00 6 months, minimum £2,000
Huddersfield and Bradford	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Lambeth	10.25	10.75	12.50	12.50 5 yrs., withdrawals aft. 18 mths.
Leamington Spa	10.35	10.60	14.19	12.55 5 yrs., 12.30 4 yrs., 11.90 3 yrs.
Leeds Permanent	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Leicester	10.25	10.50	11.75	12.50 6 yrs., 12.00 4 yrs., 11.50 3 yrs.
Liverpool	10.25	10.50	11.95	12.50 5 years, minimum £1,000
London Goldhawk	10.50	10.75	12.00	11.75 3 yrs., 11.50 2 yrs., 11.25 1 yr.
Melton Mowbray	10.35	10.60	11.75	12.10 4 yrs., 11.35 2 yrs.
Mornington	10.75	11.25	—	—
National Counties	10.50	10.80	11.80	11.90 6 mth., 11.35 3 mth., min. £1,000
Nationwide	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
New Cross	11.00	11.25	—	—
Northern Rock	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Norwich	10.25	10.50	12.00	11.50 3 yrs., 11.25 2 yrs., min. £500
Paddington	10.00	11.00	12.50	11.75 6 months, 11.50 3 months
Peckham Mutual	10.50	11.25	—	—
Portman	10.25	10.50	11.75	12.50 5 yrs., 11.55 6 months' notice
Property Owners	10.25	11.00	12.25	12.50 av. 4 yr., 12 6 mth., 11.55 3 mth.
Provincial	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Skipton	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Sussex County	10.50	10.75	12.55	12.55 5 yrs., 12.15 4 yrs., 11.75 3 yrs.
Sussex Mutual	10.50	10.85	12.50	11.25-13.10 all with special options
Town and Country	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Walthamstow	10.25	10.60	11.75	12.60 5 yrs., 11.6 6 mth. not. min. £500
Wessex	10.50	11.20	—	12.20 6 mth. not. WDL min. 3 yrs.
Woolwich	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.

* Rates normally variable in line with changes in ordinary share rates.
All these rates are after basic rate tax liability has been settled on behalf of the investor.

EXCHANGES AND BULLION

Trading was generally quiet and uneventful in currency markets yesterday ahead of the weekend, with little in the way of fresh news to stimulate much movement. Sterling showed a firmer tendency partly on an unchanged MLR, with the possibility of a change still causing nervousness in some parts of the market. The dollar showed little overall change, with Euro-dollar rates slightly firmer while some U.S. banks cut their prime rates to 12 per cent from 12½ per cent. The dollar finished at DM 1.7680 against the D-mark compared with DM 1.7670 on Thursday, and SwFr 1.6320 in terms of the Swiss franc. The dollar was slightly weaker against the Japanese yen, closing at Y217.10 against Y216.30. On Bank of England figures the dollar's trade weighted index was unchanged at 83.4.

Sterling opened at $2.3260-2.3270 against the dollar and rose to a high of $2.3425 before closing at $2.3350-2.3360, unchanged from Thursday. On Bank of England figures, the pound's trade weighted index rose to 73.8 from 73.5, having stood at 73.7 at noon and in the morning.

UK MONEY MARKET

Bank of England Minimum Lending Rate 17 per cent (since November 15, 1979)

The Treasury bill rate fell by 0.1002 per cent at yesterday's tender to 15.7338 per cent indicating an MLR of 16¼ per cent on the old market related formula. The minimum accepted bid was £96.075 against £96.04 the previous week, and bids at that level were met as to about 76 per cent and above in full. The £300m bills on offer attracted bids of £1,072.31, and all bills offered were allotted. Next week a further £300m will be on offer, replacing a similar amount of maturities.

Day-to-day credit was in very short supply in the London money market, and the authorities gave assistance on an exceptionally large scale. This comprised small purchases of Treasury bills and local authority bills both from banks and discount houses, and exceptionally large lending to seven or eight houses at MLR for repayment on Monday. The principal factor working against the market was again the repayment of the previous day's very large lending. There was also a moderate net take up of Treasury bills

THE POUND SPOT AND FORWARD

June 20	Day's spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	2.3260-2.3425	2.3350-2.3360	1.72-1.62c pm	8.58	4.40-4.30 pm	7.45
Canada	2.6775-2.6900	2.6840-2.6860	1.12-1.02c pm	4.78	3.65-3.55 pm	5.36
Nethlnd.	4.51-4.54	4.52¾-4.53¾	3¾-2¾c pm	7.29	7⅞-6⅞ pm	6.31
Belgium	65.80-66.25	65.98-66.08	23-13c pm	3.27	50-40 pm	2.73
Denmark	12.80-12.85	12.80¾-12.81¾	1-2½ore dis	−1.64	7¾-9¼ dis	−2.65
Ireland	1.0980-1.1055	1.1038-1.1048	0.04p pm-par	0.22	0.20-0.10 pm	0.54
W. Ger.	4.11½-4.14½	4.12½-4.13½	3¾-2¾pf pm	8.35	8¾-7¾ pm	7.63
Portugal	114.00-114.60	114.40-114.69	16-25c dis	−2.10	42-77 dis	−2.08
Spain	163.50-164.15	163.75-163.85	par-45c dis	−1.65	45-105 dis	−1.83
Italy	1,948-1,956	1,952-1,964	par-2lire dis	−0.61	8-10 dis	−1.84
Norway	11.31-11.37	11.33½-11.34½	8½-7ore pm	6.20	19¾-18¾ pm	6.68
France	9.57½-9.62	9.59-9.60	4¾-3¾c pm	3.31	11-10 pm	4.38
Sweden	9.70-9.74½	9.71¾-9.72¾	4-3¾ore pm	4.55	7¾-7 pm	3.03
Japan	503-508	506½-507½	2.05-1.80y pm	4.56	6.70-6.45 pm	5.19
Austria	29.30-29.45	29.34-29.39	17-14gro pm	6.33	45-40 pm	6.79
Switz.	3.79-3.82½	3.80¾-3.81¾	4½-3½c pm	12.59	11½-10½ pm	11.16

Belgian rate is for convertible francs. Financial franc 66.40-66.50. Six-month forward dollar 8.58-8.50c pm. 12-month 9.75-9.65c pm.

GOLD

	June 20		June 18	
Gold Bullion (fine ounce)				
Close	$603-605	(£257½-258¾)	$599-608	(£237-258½)
Opening	$604-607	(£259-260½)	$597-600	(£256-257½)
Morning fixing	$603.73	(£258.587)	$599	(£257.370)
Afternoon fixing	$602.90	(£257.705)	$599	(£257.274)
Gold Coins				
Krugerrand	$621-624	(£265½-267½)	$617½-620½	(£265-267)
Mapleleaf	$620-625	(£265-267)	$617-620	(£264½-265½)
New Sovereigns	$168¾-133¾	(£65¼-66¼)	$151¾-139¾	(£65-66)
King Sovs	$177-179	(£75½-76½)	$178-180	(£76-77)
Victoria Sovs	$177-179	(£73½-76½)	$178-180	(£76-77)
French 20s	$155-158		$154-137	
50 pesos Mexico	$747-750		$741-748	
100 Cor. Austria	$595-600		$386-391	
$20 Eagles	$698-701		$697-700	
$10 Eagles	—		—	
$5 Eagles	—		—	

EXCHANGE CROSS RATES

June 12	Pound Sterling	U.S. Dollar	Deutschem'k	Japan'se Yen	French Franc	Swiss Franc	Dutch Guild'	Italian Lira	Canada Dollar	Belgian Franc
Pound Sterling	1.	2.336	4.130	507.0	9.593	3.813	4.528	1953.	2.685	66.03
U.S. Dollar	0.428	1.	1.768	217.1	4.109	1.632	1.938	836.2	1.150	28.27
Deutschemark	0.248	0.566	1.	122.8	2.323	0.923	1.096	472.9	0.650	15.99
Japanese Yen 1,000	1.972	4.607	8.146	1000.	18.93	7.520	8.930	3862.	5.296	130.2
French Franc 10	1.042	2.434	4.304	528.4	10.	3.975	4.718	2035.	2.798	68.82
Swiss Franc	0.262	0.613	1.083	133.0	2.517	1.	1.188	512.3	0.704	17.32
Dutch Guilder	0.221	0.518	0.912	112.0	2.119	0.842	1.	431.4	0.593	14.58
Italian Lira 1,000	0.512	1.196	2.115	259.6	4.913	1.952	2.318	1000.	1.375	33.81
Canadian Dollar	0.372	0.870	1.538	188.9	3.574	1.420	1.686	727.4	1.	24.59
Belgian Franc 100	1.514	3.537	6.255	767.9	14.53	5.774	6.857	2958.	4.066	100.

FT LONDON INTERBANK FIXING (11.00 a.m. JUNE 20)

3 month U.S. dollars		6 month U.S. dollars	
bid 9 5/16	offer 9 7/16	bid 9 1/2	offer 9 5/8

The fixing rates are the arithmetic means, rounded to the nearest one-sixteenth, of the bid and offered rates for $10m quoted by the market to five reference banks at 11 am each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque Nationale de Paris, and Morgan Guaranty Trust.

LONDON MONEY RATES

June 20 1980	Sterling Certificate of deposit	Interbank	Local Authority deposits	Local Auth. negotiable bonds	Finance House Deposits	Company Deposits	Discount market deposits	Treasury Bills ♦	Eligible Bank Bills ♦	Fine Trade Bills ♦
Overnight	—	10-80	—	—	—	—	13-17	—	—	—
2 days notice	—	—	17⅝-17⅝	—	—	—	—	—	—	—
7 days or	—	—	—	—	—	—	—	—	—	—
7 days notice	—	18¼-16½	17½-17⅝	—	18½	16¾-17	16⅞-17	—	—	—
One month	17¾-17⅛	17½-17⅝	17-17½	19⅛-18½	19	19	19¾	15⅛-15⅝	17¼	19
Two months	17¼-17	17⅛-17¼	—	17¼-17⅝	17½	—	16⅝	15⅛	16¾	17½
Three months	16⅞-16⅞	16⅞-16⅞	16⅝-16½	16¾-17⅛	17⅛	17⅞-19	18⅛	13⅞-15¾	16⅛-16⅛	16¾
Six months	13⅝-13¼	13⅝-16½	15¼-15⅛	15⅛-16⅝	16¾	17¼-17⅛	—	—	14⅝	15⅝
Nine months	14¼-14	14⅝-14½	—	14⅝-16⅛	14⅛	15	—	—	—	—
One Year	13⅞-16⅞	14⅛-14¼	15⅞-14⅞	14⅛-14⅝	14⅞	16¼	—	—	—	—
Two years	—	—	16⅛-14	—	—	—	—	—	—	—

Local authority and finance houses seven days' notice, others seven days' fixed. *Long-term local authority mortgage rate nominally three years 13¾ per cent; four years 13¾ per cent; five years 13¾-13¾ per cent. ♦Bank bill rates in table are buying rates for prime paper. Buying rates for four-month bank bills 15⅞ per cent; four-month trade bills 16¾ per cent.

Approximate selling rate for one-month Treasury bills 15⅞-15¾ per cent; two-months 15⅞ per cent; three-months 15⅝-15⅝ per cent. Approximate selling rates for one-month bank bills 17⅛ per cent; two-months 16⅞ per cent; three-months 16-16⅞ per cent; one-month trade bills 17¾ per cent; two-months 17¾ per cent; and three-months 16½ per cent.

Finance Houses Base Rates (published by the Finance Houses Association) 17½ per cent from June 1, 1980. Clearing Bank Deposit Rates for sums at seven days' notice 15 per cent. Clearing Bank Rates for lending 17 per cent. Treasury Bills: Average tender rates of discount 15.7338 per cent.

CURRENCY MOVEMENTS

June 20	Bank of England Index	Morgan Guaranty Changes%
Sterling	73.8	−32.3
U.S. dollar	85.4	−10.2
Canadian dollar	81.7	−16.1
Austrian schilling	136.5	+24.1
Belgian franc	113.0	+14.3
Danish kroner	107.5	−4.1
Deutsche mark	135.4	+44.5
Swiss franc	198.0	+79.7
Guilder	123.5	+19.6
French franc	101.6	−3.6
Lira	55.2	−61.1
Yen	161.0	+28.7

Based on trade weighted changes from Washington agreement December, 1971 (Bank of England Index=100).

EURO-CURRENCY INTEREST RATES (Market Closing Rates)

June 20	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	Swiss Franc	West German Mark	French Franc	Italian Lira	Asian $	Japanese Yen
†Short term	17¾-18	9⅛-9⅛	9-10	10⅞-11⅛	3¼-3¾	9⅛-9⅞	19½-12⅛	15-17	6¾-5⅞	12¼-12¾
7 days' notice	17½-17¾	9-9¼	9-10	10½-11⅛	6¼-6¾	9⅝ 8¾	12½-12⅞	18½-18⅛	9-8⅛	16¾-17½
Month	17⅛-17¾	9⅛ 9⅝	19⅛-18¾	10½-10¾	5⅝-6¾	9⅜-9½	12⅞-12⅞	18-19½	9⅛-9¼	18⅝-18⅝
Three months	16¾-17	9¼-9½	10⅞-10½	10⅝-10⅝	5⅞-3⅞	9⅞-9⅞	12⅞-12⅞	18-19	9⅞-9⅞	11⅛-11⅜
Six months	18⅝-13⅝	9⅜-9⅝	10½-10⅛	10½-10¾	5⅞-5⅞	9⅝-8¾	12⅞-12⅞	18-19	9⅜-9½	10½-10⅝
One Year	14-14¼	9¼-9½	10¼-10⅝	10 10¼	5-5⅛	8⅛-8¼	19⅞-18⅞	18-19	9¼-9⅝	8-9¼

The following nominal rates were quoted for London dollar certificates of deposit: one-month 8.85-9.05 per cent; three-months 8.95-9.05 per cent; six-months 8.85-8.95 per cent; one year 8.90-9.00 per cent.

Long-term Eurodollar two years 10-10⅛ per cent; three years 10¼-10½ per cent; four years 10⅝-10⅝ per cent; five years 10½-10⅝ per cent; nominal closing rate. Short-term rates are call for sterling, U.S. dollars, Canadian dollars and Japanese yen; others two-days' notice. Asian rates are closing rates in Singapore.

EMS EUROPEAN CURRENCY UNIT RATES

	ECU central rates	Currency amounts against ECU June 20	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc	39.7897	40.2635	+1.18	+0.42	±1.53
Danish Krone	7.72336	7.81217	+1.15	+0.38	±1.64
German D-Mark	2.48208	2.51686	+1.40	+0.63	±1.125
French Franc	5.84700	5.83814	−0.16	−0.92	±1.3557
Dutch Guilder	2.74362	2.75625	+0.46	−0.31	±1.512
Irish Punt	0.668201	0.672292	+0.61	−0.15	±1.668
Italian Lira	1157.79	1189.12	+2.71	+2.45	±4.08

Changes are for ECU, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

OTHER CURRENCIES

June 20	£	$		£ Note Rates
Argentina Peso	4302-4388	1842-1849	Austria	29.80-29.50
Australia Dollar	2.0905-2.0945	0.8650-0.8655	Belgium	65.80-66.40
Brazil Cruzeiro	120-121	51.445-51.645	Denmark	12.75-12.85
Finland Markka	8.318-8.528	3.6400-3.6450	France	9.55-9.61
Greek Drachma	99.621-101.858	42.60-43.00	Germany	4.11½-4.15
Hong Kong Dollar	11.49-11.52	4.9220-4.9240	Italy	1915-1955
Iran Rial	n/a	n a	Japan	506-511
Kuwait Dinar(KD)	0.619-0.696	0.2665-0.2668	Netherlands	4.51-4.54½
Luxembourg Frc.	65.98-66.08	28.97-28.29	Norway	11.28-11.37
Malaysia Dollar	4.9925-4.5100	2.1370-2.1390	Portugal	111-116
New Zealand Dlr.	2.3630-2.3680	1.0113-1.0135	Spain	158¾-159¼
Saudi Arab. Riyal	7.73-7.70	3.3290-3.3310	Sweden	9.82-9.76
Singapore Dollar	4.9350-4.9500	2.1125-2.1145	Switzerland	3.78½-3.81½
Sth. African Rand	1.8053-1.8075	0.7730-0.7740	United States	2.326-2.336
U.A.E. Dirham	8.59-8.66	3.7015-3.7035	Yugoslavia	62-65

Rate given for Argentina is free rate.

U.K. CONVERTIBLE STOCKS 20/6/80

Statistics provided by *dataSTREAM International*

Name and description	Size (£m)	Current price	Terms*	Conversion dates	Flat yield	Red. yield	Premium† Current	Premium† Range‡	Income Equ.§	Income Conv.¶	Income Diff.♡	Cheap(+) Dear(−)◊ Current
Bank of Ireland 10pc Cv. 91-96	1.20	142.00	47.6	77-81	7.2	5.1	−8.2	−13 to −7	0.0	9.4	6.1	+14.3
British Land 12pc Cv. 2002	7.71	279.00	333.3	80-97	4.3	2.1	−3.8	−4 to 6	0.0	39.3	30.8	+34.6
Hanson Trust 6½pc Cv. 88-93	3.02	87.00	57.1	76-81	7.6	8.3	−4.2	−10 to −1	3.0	3.2	0.1	+4.4
Slough Estates 10pc Cv. 87-90	5.44	232.00	187.5	78-88	4.3		−4.8	−5 to 2	36.0	39.7	1.5	+6.3
Slough Estates 8pcCv. 91-94	24.88	116.00	78.0	80-91	6.9	6.0	14.4	14 to 22	26.3	47.6	21.0	+6.6
Ultramar 7pc net R.Cv.Pfd.	12.59	3.92	1.1	76-81	2.6		−0.9	−5 to 6	11.4	9.6	−0.5	+0.4
Wilkinson Match 10pc Cv. 84-98	11.10	71.50	40.0	76-83	13.9	14.4	45.3	30 to 63	21.1	24.6	7.1	−38.2

* Number of ordinary shares into which £100 nominal of convertible stock is convertible. † The extra cost of investment in convertible expressed as per cent of the cost of the equity in the convertible stock. ‡ Three-month range. § Income on number of ordinary shares into which £100 nominal of convertible stock is convertible. This income, expressed in pence, is summed from present time until income on ordinary shares is greater than income on £100 nominal of convertible or the final conversion date whichever is earlier. Income is assumed to grow at 10 per cent per annum and is present valued at 12 per cent per annum. ¶ Income on £100 of convertible. Income is summed until conversion and present valued at 12 per cent per annum. ♡ This is income of the convertible less income of the underlying equity expressed as per cent of the value of the underlying equity. ◊ The difference between the premium and income difference expressed as per cent of the value of underlying equity. + is an indication of relative cheapness. − is an indication of relative dearness.

LONDON STOCK EXCHANGE

Industrial leaders rebound as buying interest revives and Gilts improve late after two new tap stocks

Acconnt Dealing Dates
Options

*First Dealings	Declarations	Last Dealings	Account Day
June 2	June 12	June 13	Jnne 23
Jnne 16	June 26	June 27	Jnly 7
Jnne 30	July 10	July 11	July 21

* "New time" dealings may take place from 9 am two business days earlier.

Another good week in equities ended on an extremely firm note. Thursday's reactionary movement prompted some dealers to mark prices lower at the opening, but this only encouraged a revival of buying which often found stock in short supply. Easier at first, leading industrials rebounded sharply. After the previous day's fall of 7.7, the FT 30-share index, down 2.1 more at the 10.00 am calculation, rallied 6.4 yesterday making a gain of 59.1 to 471.8 over the last 14 trading days.

Comment on the latest money supply figures coupled with expectations of further Government funding tended to restrain fresh interest in the Gilt-edged sector during official trading. In the event, the 3.30 pm announcement of two new tap stocks, £800m more of the existing Exchequer 12¼ per cent 1985 at 98¼, with £40 payable at tender, and £1,000m Treasury 13 per cent 2000 at 96, £45 payable at tender, were well received and led to a late improvement throughout the list. Short-dated stocks ended up to ¾ higher, while final quotations in mediums and longs recorded gains extending to ⅞. A reduction in U.S. prime rate to 12 per cent also helped late sentiment.

Overall conditions in equities were reasonably lively. Harrison and Crosfields gave ground on the proposed £50m rights issue, but a fairly lengthy list of noteworthy improvements emerged. Oils came to life with a flourish, Lasmo being particularly prominent on a revival of speculative buying on take-over hopes.

The mining sectors were featured again by another heavy turnover in Selection Trust, up 1¼ more at £11¾, following speculation about the possible bid terms from British Petroleum. Other mining Finance issues also made further good gains, and the BP bid approach enlivened interest in Australian mining and energy-related stocks which also closed with widespread rises.

Demand for Traded options contracted slightly but trades still reached into four figures. The 1,198 deals completed made a week's daily average of 1,541, around 250 a day higher than the previous week and the highest since last April.

Among recently-issued equities, Home Farm Products met with fresh support in a thin market and rose 3 to 88p.

Hambros good again

Helped by Press comment, merchant banks came in for some good support with sentiment still buoyed by the good preliminary figures reported by Hambros on Monday. Hambros pushed forward 29 for a jump on the week of 74 at 497p, while Schroders added 5 to 260p and Guinness Peat 4 to 119p. The major clearing banks continued firmly with renewed support ahead of next month's interim dividend season prompting fresh improvements. NatWest added 6 to 378p, while Barclays, 405p, Lloyds, 330p, and Midland, 375p, all appreciated 5 and Bank of Scotland put on 7 to 273p. Elsewhere, speculative buying helped Grindlays rise 12 to 140p. Among Hire Purchases, FNFC edged forward a fraction to 17p despite adverse comment; the interim figures are due next Tuesday.

Insurances perked up with Sun Alliance up 10 at 652p, leading the rally in Composites. Lloyds brokers, however, drifted lower. Christopher Moran softened a penny to 29p; the preliminary results are due on Wednesday.

After a dull start, Breweries closed a penny or two above the overnight positions. Allied rallied from 82p to end 1½ better on balance at 85p, while Whitbread added a couple of pence to 163p, after 159p.

Leading Buildings made progress in places on a revival of investment demand, Taylor Woodrow adding 5 to 398p and BPB 4 to a 1980 peak of 200p: the latter's preliminary results are due next Wednesday. Tunnel "B," at 228p, regained a couple of pence of the previous day's fall of 14 that followed the annual results and the chairman's cautious remarks about current trading. Elsewhere, Tilbury Contracting, up 5 more to 195p, reflected fresh buying in a thin market, but Wilson (Connolly) reacted 4 to 94p on profit-taking. Down 11 on Thursday on the £10.7m rights issue proposal, Mallinson-Denny lost a penny more to 56½p, while P. C. Henderson "A" fell 25 to 160p on profit-taking, but retained a gain on the week of 25.

A couple of pence easier at the outset, ICI closed a net 2 harder at 384p, after 386p, on occasional demand. British Tar Products added 3 to 45p in response to the annual results and proposed one-for-seven scrip issue.

A shade easier at the outset, Store majors attracted good quality support and closed around the day's best. GUS "A" added 6 to 434p, while Mothercare, 260p, and British Home, 302p, firmed 4. Secondary issues were featured by Grant Bros., 10 better at 112p following speculative support in a restricted market. Harris Queensway added 4 more to 172p, while Grattan Warehouses, 64p, recovered 4 of the previous day's fall of 6.

Leading Electricals attracted good investment support and recovered the previous day's losses. GEC improved 7 for a week's gain of 23 at 394p. Plessey, 160p, and Thorn-EMI, 300p, both firmed 4, while Ferranti added 5 to 550p ahead of Tuesday's annual figures. Still buoyed by the chairman's recent optimistic statement, STC rose 9 more to 355p, but adverse comment clipped a couple of pence from Berec, 98p. Muirhead, interim results on Monday, eased the turn to a 1980 low of 136p, but Sound Diffusion met support and added 4 to 59p.

Firm conditions prevailed in Engineerings. Anderson Strathclyde rose 4 to 77p, after 78p, on rumours that Charter Consolidated may acquire the outstanding 71.6 per cent of the shares it does not already own; the preliminary results are also due next Thursday. F. H. Lloyd improved 3½ to 41p despite the reduced earnings and dividend and Spirax Sarco revived with a rise of 6 to 162p. APV were notable for a gain of 11 at 188p, while improvements of around 4 were seen in Prestwich Parker, 33p, and Williams and James, 98p. A firm market of late on Press comment, Matthew Hall encountered profit-taking and shed 8 to 232p. The leaders closed quietly firm. Hawker put on 4 to 198p and Tubes hardened a couple of pence to 278p.

A sugar trader's view that the commodity price could double stimulated support for British Sugar which gained 10 to 220p and for Tate and Lyle which firmed 4 to 140p. Elsewhere in Foods, Nurdin and Peacock put on 9 to 148p in belated response to the chairman's optimistic remarks, while gains of 5 were marked against J. Sainsbury, 398p, and Kwik Save, 107p. Renewed speculative interest lifted Clifford's Dairies "A" 4 to 99p.

Leading Hotels and Caterers trended firmer, Trusthouse Forte hardening a couple of pence to 195p ahead of next Wednesday's half-yearly results, and Grand Metropolitan adding 3 to 157p.

Unicorn Inds. firm

Several features emerged among secondary miscellaneous industrials. Still awaiting further news of the bid approach, Unicorn Industries rose 5 to 125p, while Lawtex reflected favourable comment with a rise of 4 to 52p. Despite the reduced interim earnings, J. F. Nash Securities moved up 4 to 64p, while Johnson Matthey put on 8 for a rise on the week of 30 at 330p on further consideration of the results and proposed 100 per cent scrip issue. Far Eastern influences prompted a rise of 18 to 156p in Jardine Matheson and renewed support in a thin market lifted James Wilkes 4 to 64p. Comment on the satisfactory figures helped Pauls and Whites improve 4 to 133p. ICL, on the other hand, dipped 5 to 143p on fears of foreign competition for the Government's contract to supply the Inland Revenue with a £150m computer installation. Wedgwood softened a penny to 62p on the lower profits and Wilkinson Match gave up 4 to 118p ahead of next Tuesday's annual results. The leaders closed the week on a firm note but a couple of pence below the day's best.

Consideration of the chairman's pessimistic comments on current trading which accompanied Thursday's annual results left E.R.F. 4 easier at 68p. Elsewhere in Motors, Flight Refuelling advanced 12 to 326p on revived speculative support.

LASMO strong

A penny or so easier at first in the absence of buyers, leading Properties picked up as interest developed and the final tone was quite firm. Land Securities ended 3 dearer at 327p and MEPC 4 to the good at 217p. Elsewhere, Rush and Tompkins put on 7 to a 1980 peak of 219p, while Property Partnerships rose 12 to 227p, the latter in a thin market. In contrast, Bradford, still reflecting disappointing results, lost 4 for a fall of 12 to 174p since the announcement, while Percy Bilton came on offer and shed 6 to 192p.

Lasmo became the focal point of Oils, rising 19 to 712p, excited by revived rumours of a bid from Deminex, the West German oil group. Cawoods, which holds a 12.5 per cent stake in Lasmo, closed 6 up at 208p, after 212p. A limited amount of interest was being shown in other Oils with Burmah adding 4 to 231p and Ultramar improving 6 to 384p. Renewed speculative support lifted Berkeley Exploration 9 to 212p and Candecca 7 to 192p. In the leaders, British Petroleum, 366p, recovered a couple of pence of the previous day's fall of 8 which followed the takeover approach to Selection Trust. Shell also hardened 2, to 404p, after 406p.

The announcement of a £50m rights issue depressed Harrisons and Crosfield, 50 lower at 700p. Elsewhere in Overseas Traders, Lonrho eased 3 to 99p, but comment on the previous day's interim results combined with the high sugar price lifted S. and W. Berisford 10 to 158p.

Trusts remained firm, Gresham House, 185p, and Colonial Securities, 267p, both adding 5. Camellia were outstanding following Press mention with a rise of 35 to 450p.

Textiles generally closed firmer, Courtaulds adding 3 at 73p.

Sel. Trust up again

Press and market speculation that BP may have to pay up to £15 a share to take over Selection Trust led to further heavy and persistent buying of the latter which advanced £1¼ more to a peak £11¾—a two-day rise of £4¾ and £5 up on the week. The other London-based Mining Finance Houses were also buoyant, reflecting the re-investment of profits made in Selection Trust.

Charter, with 25.8 per cent of Selection Trust, rose 9 more to 207p—up 58p on the week—while Rio Tinto-Zinc gained 14 more to 422p and Gold Fields, the subject of heavy buying in the after-hours trade—put on 13 to 498p.

South African Golds and Financials, however, remained in the doldrums with the market still nervous over the recent riots in Cape Town.

Golds showed little change either way although small-scale London interest was sufficient to produce a rise of 1.9 in the Gold Mines index to 326.1 for a net fall on the week of 14.8.

The Australian mining and oil market surged ahead in a heavy turnover reflecting sharp gains in overnight "down-under" markets.

Among the leaders, Western Mining jumped 19 to 265p, MIM Holdings 13 to 233p and Conzinc Riotinto 12 to 282p while North Broken Hill gained 9 to 179p.

The speculative issues attracted heavy and persistent buying. News of an oil-shale discovery prompted a rush of speculative funds into Greenvale Mining, 48 higher at 112p, Esperance Minerals, 30 up at 160p, International Mining, 8 better at 33p, Central Pacific Minerals, £1½ to the good at a peak £32½ and Southern Pacific Petroleum, ¾ firmer at £12.

Haoma and North West Mining, which have a stake in the Lockton East No. 1 well being drilled in Yorkshire, both moved ahead to 1980 highs. Haoma advanced 8 to 94p and North West 14 to 89p.

LONDON TRADED OPTIONS

Option	Ex'rcise price	July Closing offer	July Vol.	Oct. Closing offer	Oct. Vol.	Jan. Closing offer	Jan. Vol.	Equity close
BP	330	42	—	58	2	74	6	366p
BP	360	22	—	39	—	56	5	"
BP	390	8	—	22	22	36	—	"
Com. Union	140	12	49	16	75	24	6	149p
Com. Union	160	2½	10	7	9	12	—	"
Cons. Gold	460	47	19	75	—	90	—	497p
Cons. Gold	500	19	23	49	74	65	—	"
Courtaulds	60	13	—	17½	1	18	6	72p
Courtaulds	70	5	15	9	6	11	—	"
Courtaulds	80	1½	—	½	14	7	4	"
GEC	360	42	—	56	10	73	7	395p
GEC	390	16½	49	35	39	50	1	"
Grand Met.	120	37	—	39½	1	45	—	166p
Grand Met.	130	27½	4	29½	—	37	—	"
Grand Met.	140	17½	—	23	3	28	4	"
Grand Met.	160	5½	22	12	29	17½	12	"
ICI	330	60	10	69	—	78	—	385p
ICI	360	32	—	42	5	56	—	"
ICI	390	8	—	22	8	34	—	"
Land Secs.	293	39	5	51	—	63	—	326p
Land Secs.	323	13	15	30	2	43	—	"
Land Secs.	353	3	—	13	2	25	—	"
Marks & Sp.	80	17½	14	21	—	23½	10	96p
Marks & Sp.	90	8	96	13½	—	17	—	"
Marks & Sp.	100	3	3	7½	—	11½	2	"
Shell	360	50	9	60	—	74	—	403p
Shell	390	22	9	38	1	50	—	"
Shell	420	9	70	20	2	32	1	"
Totals			421		305		62	
		August		November		February		
Imperial Gp.	80	8½	75	10	—	13	—	86p
Imperial Gp.	90	2½	22	4½	—	7	2	"
Lonrho	80	24½	7	25½	—	28	—	99p
Lonrho	90	16	11	18½	10	21½	10	"
Lonrho	100	8	19	12	10	16½	5	"
Racal Elec.	220	39	—	52	—	65	5	258p
Racal Elec.	240	22	23	36	1	50	—	"
Racal Elec.	260	12	31	24	14	36	—	"
RTZ	360	75	10	90	—	105	5	423p
RTZ	390	50	9	67	—	85	—	"
RTZ	420	35	72	47	11	65	—	"
RTZ	460	13	44	28	6	—	—	"
RTZ	500	7	6	—	—	—	—	"
Totals			329		52		27	

FINANCIAL TIMES STOCK INDICES

	June 20	June 19	June 18	June 17	June 16	June 13	A year ago
Government Secs.	70.53	69.95	70.39	69.89	69.58	68.41	70.69
Fixed Interest	70.84	70.66	70.64	70.11	69.70	68.99	72.53
Industrial	471.8	465.4	473.1	469.0	457.6	456.5	476.0
Gold Mines	326.1	324.2	351.4	328.5	333.2	340.9	165.4
Ord. Div. Yield	7.62	7.69	7.58	7.64	7.66	7.67	5.94
Earnings, Yld. % (full)	18.54	18.55	18.87	18.42	18.45	18.97	16.18
P/E Ratio (net) (*)	6.64	6.66	6.66	6.51	6.59	6.49	7.88
Total bargains	21,972	23,114	28,475	26,446	26,733	21,642	—
Equity turnover £m.	—	156.84	120.85	172.81	144.93	132.28	88.65
Equity bargains total	—	17,693	16,962	19,937	19,004	17,286	10,828

10 am 463.3. 11 am 464.6. Noon 469.3. 1 pm 471.5.
2 pm 471.5. 3 pm 471.9.
Latest Index 01-246 8026.
*Nil=6.21.
Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Industrial Ord. 1/7/35. Gold Mines 12/9/55. SE Activity July-Dec. 1942.

HIGHS AND LOWS

	1980 High	1980 Low	Since Compilat'n High	Since Compilat'n Low
Govt Secs.	70.53 (20/6)	63.85 (7/3)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	70.84 (20/6)	64.70 (13/3)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	478.8 (15/2)	406.9 (3/1)	558.6 (4/5/79)	49.4 (26/6/40)
Gold Mines	377.9 (22/2)	266.5 (18/3)	442.3 (22/5/75)	43.5 (26/10/71)

S.E. ACTIVITY

	June 20	June 19
—Daily		
Gilt Edged	124.0	129.4
Industrials	118.9	136.3
Speculative	80.0	44.7
Totals	88.8	95.2
5-day Avge.		
Gilt Edged	143.1	147.2
Industrials	139.3	140.0
Speculative	47.9	38.8
Totals	99.3	99.1

RISES AND FALLS

	Yesterday Up	Yesterday Down	Yesterday Same	On the week Up	On the week Down	On the week Same
British Funds	85	—	4	311	99	37
Corpns. Dom. and Foreign Bonds	6	16	44	122	37	171
Industrials	270	228	897	2,020	868	4,067
Financial and Prop.	118	18	301	1,055	292	1,159
Oils	24	7	21	86	85	89
Plantations	4	5	17	19	17	94
Mines	62	28	67	200	246	339
Others	23	72	60	237	211	314
Totals	592	437	1,411	4,050	1,865	6,290

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

	EQUITY GROUPS & SUB-SECTIONS (Figures in parentheses show number of stocks per section)	Fri., June 20, 1980 Index No.	Day's Change %	Est. Earnings Yield % (Max.)	Gross Div. Yield % (ACT at 30%)	Est. P/E Ratio (Net)	Thurs., June 19 Index No.	Wed., June 18 Index No.	Tues., June 17 Index No.	Mon., June 16 Index No.	Year ago (approx.) Index No.	1980 High	1980 Low	Since Compilation High	Since Compilation Low
1	CAPITAL GOODS (172)	251.70	+0.7	17.61	6.41	6.97	249.87	251.40	249.80	247.52	243.17	251.70 (20/6)	208.87 (3/1)	287.87 (4/5/79)	50.71 (13/12/74)
2	Building Materials (28)	245.95	−0.2	18.24	6.71	6.51	246.36	249.24	247.10	244.90	225.32	249.24 (18/6)	194.00 (3/1)	270.52 (8/5/79)	44.27 (11/12/74)
3	Contracting, Construction (27)	368.85	−0.1	25.36	6.56	4.73	369.23	369.83	369.41	366.82	360.92	377.28 (29/2)	313.00 (3/1)	451.74 (4/5/79)	71.48 (2/12/74)
4	Electricals (16)	668.37	+1.5	12.38	3.65	10.48	658.28	664.27	661.84	655.14	576.01	668.37 (20/6)	539.56 (2/1)	698.53 (4/5/79)	84.71 (25/6/62)
5	Engineering Contractors (11)	305.32	−0.4	22.24	8.49	5.64	306.55	303.70	303.22	299.54	360.51	306.55 (19/6)	264.74 (30/5)	429.70 (4/5/79)	64.39 (2/1/75)
6	Mechanical Engineering (74)	168.71	+0.9	19.04	7.87	6.44	167.15	168.41	167.56	166.23	184.95	173.75 (14/2)	146.46 (3/1)	211.08 (8/5/79)	45.43 (6/1/75)
8	Metals and Metal Forming (16)	168.72	+0.6	21.53	10.08	5.57	167.72	166.45	163.40	161.79	168.26	171.28 (29/2)	141.95 (2/1)	192.29 (4/5/79)	49.65 (6/1/75)
	CONSUMER GOODS														
11	(DURABLE) (49)	221.45	—	14.90	5.81	8.20	221.36	222.08	221.07	219.90	231.56	226.35 (3/3)	184.82 (3/1)	259.88 (8/5/79)	38.39 (6/1/75)
12	Lt. Electronics, Radio, TV (14)	324.70	—	11.36	4.19	11.20	324.67	326.38	324.54	323.20	315.80	326.38 (18/6)	247.36 (3/1)	358.49 (11/9/79)	42.85 (13/12/74)
13	Household Goods (14)	99.96	+0.8	29.58	10.58	4.02	99.16	99.11	99.06	98.53	161.46	116.40 (1/1)	93.32 (9/6)	263.22 (4/5/72)	63.92 (17/12/74)
14	Motors and Distributors (21)	102.57	—	22.52	9.68	5.15	102.60	102.38	102.18	101.27	118.55	115.86 (29/1)	94.70 (4/6)	170.59 (15/1/69)	19.91 (6/1/75)
	CONSUMER GOODS														
21	(NON DURABLES) (172)	234.08	+0.9	17.70	6.83	6.82	231.91	233.51	230.11	229.87	234.67	234.08 (20/6)	200.15 (3/1)	269.81 (4/5/79)	61.41 (13/12/74)
22	Breweries (14)	292.42	+1.0	15.06	6.21	7.84	289.66	293.39	288.58	290.58	270.43	293.39 (18/6)	248.93 (3/1)	306.13 (4/5/79)	69.47 (13/12/74)
23	Wines and Spirits (5)	307.12	+0.9	17.74	6.08	6.95	304.47	308.50	310.28	309.10	300.40	322.79 (21/1)	278.92 (2/6)	362.29 (29/3/79)	78.88 (13/12/74)
24	Entertainment, Catering (17)	340.01	+1.1	16.98	6.56	7.30	336.27	338.25	333.00	333.53	303.69	340.01 (20/6)	268.87 (3/1)	374.32 (3/5/79)	54.83 (9/1/75)
25	Food Manufacturers (21)	205.63	+0.4	19.53	7.27	6.03	204.86	203.40	202.18	202.67	214.46	208.78 (14/2)	183.95 (28/3)	236.75 (4/5/79)	59.67 (11/12/74)
26	Food Retailing (13)	335.55	+1.7	12.58	4.72	9.48	329.94	330.94	327.24	331.18	292.96	335.55 (20/6)	286.28 (3/1)	335.55 (20/6/80)	54.25 (11/12/74)
32	Newspapers, Publishing (13)	438.17	−0.3	21.79	6.67	6.20	439.35	439.26	437.71	437.29	429.68	455.30 (14/2)	378.52 (3/1)	492.56 (8/5/79)	55.08 (6/1/75)
33	Packaging and Paper (15)	133.21	−0.3	26.91	9.36	4.30	133.65	135.09	134.81	134.51	129.14	135.09 (18/6)	111.30 (3/1)	155.65 (14/9/78)	43.46 (6/1/75)
34	Stores (42)	229.09	+1.1	13.50	5.38	9.53	226.54	229.86	224.70	223.43	239.39	229.86 (18/6)	188.71 (3/1)	273.48 (4/5/79)	52.63 (6/1/75)
35	Textiles (24)	132.00	+0.7	24.62	11.76	4.95	131.14	132.78	132.27	129.00	164.94	134.65 (19/2)	116.89 (6/6)	235.72 (17/1/67)	62.66 (11/12/74)
36	Tobaccos (3)	230.17	+1.7	26.50	10.06	4.27	226.34	225.66	219.14	218.64	238.68	230.17 (20/6)	192.86 (3/1)	339.16 (2/8/72)	94.34 (13/6/62)
37	Toys and Games (5)	27.69	+1.8	43.92	13.77	2.64	27.19	26.83	26.03	25.08	74.40	47.59 (1/1)	25.08 (16/6)	135.72 (16/1/70)	20.92 (6/1/75)
41	OTHER GROUPS (99)	217.26	+0.3	17.15	7.08	6.92	216.64	217.85	217.54	216.65	202.23	217.85 (18/6)	184.19 (3/1)	234.76 (8/5/79)	58.63 (6/1/75)
42	Chemicals (16)	316.99	+0.5	19.78	7.59	5.80	315.44	317.43	317.65	316.92	286.00	317.88 (13/2)	276.80 (3/1)	329.77 (4/5/79)	71.20 (1/12/74)
43	Pharmaceutical Products (7)	216.35	+0.4	11.85	6.38	10.40	215.56	217.87	217.62	218.24	216.50	221.00 (13/2)	175.38 (28/5)	291.13 (14/9/78)	175.38 (28/5/80)
44	Office Equipment (6)	110.55	+0.7	19.70	7.50	5.81	109.81	110.44	110.64	110.63	119.93	123.10 (14/2)	98.57 (2/6)	246.06 (1/9/72)	45.34 (2/1/75)
45	Shipping (10)	540.52	−0.1	13.57	6.53	8.92	541.29	542.53	539.84	536.33	458.74	542.53 (18/6)	411.59 (10/1)	542.53 (18/6/80)	90.80 (29/6/62)
46	Miscellaneous (60)	262.04	+0.1	17.34	6.94	7.08	261.87	262.70	261.79	259.37	240.33	262.70 (18/6)	211.86 (3/1)	273.91 (8/5/79)	60.39 (6/7/75)
49	INDUSTRIAL GROUP (492)	241.02	+0.7	17.35	6.71	6.96	239.43	240.90	238.83	237.83	235.88	241.02 (20/6)	203.76 (3/1)	273.01 (4/5/79)	59.01 (13/12/74)
51	Oils (8)	812.41	+0.6	28.40	6.34	3.89	807.79	820.89	827.08	832.94	678.80	840.16 (5/3)	668.86 (8/1)	840.16 (5/3/80)	87.23 (29/5/62)
59	500 SHARE INDEX	286.14	+0.6	19.71	6.63	5.96	284.31	286.66	285.20	284.71	271.47	286.66 (18/6)	241.13 (3/1)	308.20 (4/5/79)	63.49 (13/12/74)
61	FINANCIAL GROUP (118)	219.39	+0.9	—	5.72	—	217.44	219.71	218.30	216.28	189.30	219.71 (18/6)	175.85 (3/1)	241.41 (11/4/72)	55.88 (13/12/74)
62	Banks (6)	242.02	+1.4	40.41	6.72	3.03	238.59	243.90	242.44	240.31	230.73	243.90 (18/6)	201.01 (8/4)	288.32 (20/7/72)	62.44 (12/12/74)
63	Discount Houses (10)	265.79	−0.1	—	6.64	—	266.14	266.23	263.88	254.45	250.99	266.23 (18/6)	206.50 (18/3)	293.13 (2/5/72)	81.40 (10/12/74)
64	Hire Purchase (5)	216.26	—	14.45	4.63	8.99	216.26	217.13	217.74	215.64	165.46	217.74 (17/6)	160.72 (3/1)	433.74 (4/5/72)	38.83 (11/12/74)
65	Insurance (Life) (10)	204.32	+0.7	—	6.23	—	202.80	203.03	203.27	203.50	157.45	204.32 (20/6)	151.80 (3/1)	204.32 (20/6/80)	44.88 (2/1/75)
66	Insurance (Composite) (9)	143.99	+1.2	—	7.47	—	142.31	143.90	141.98	139.32	123.70	143.99 (20/6)	117.05 (3/1)	161.72 (6/10/77)	43.96 (13/12/74)
67	Insurance Brokers (9)	318.46	−0.1	14.58	7.19	9.42	318.79	316.98	315.47	314.40	268.41	318.79 (19/6)	256.48 (3/1)	372.27 (11/8/78)	65.86 (16/12/74)
68	Merchant Banks (13)	124.85	+2.3	—	5.34	—	122.04	119.79	118.01	116.13	97.44	124.85 (20/6)	87.47 (3/1)	278.57 (1/5/72)	31.21 (7/1/75)
69	Property (45)	406.61	+0.3	3.35	2.85	42.37	405.27	410.09	408.14	406.81	337.72	410.09 (18/6)	304.20 (3/1)	410.09 (18/6/80)	56.01 (20/4/65)
70	Miscellaneous (11)	135.06	+0.7	16.27	6.46	7.81	134.07	134.95	134.39	131.60	121.41	137.13 (14/2)	119.62 (3/1)	303.18 (18/5/72)	33.29 (17/12/74)
71	Investment Trusts (109)	239.55	—	—	5.76	—	239.44	237.38	236.00	235.25	210.89	241.41 (14/2)	188.97 (3/1)	248.31 (26/4/79)	71.63 (13/12/74)
81	Mining Finance (4)	226.01	+4.9	11.76	4.36	10.30	215.51	196.96	196.08	197.07	123.15	230.07 (13/2)	161.95 (1/1)	230.07 (13/2/80)	66.31 (30/9/74)
91	Overseas Traders (19)	390.07	−1.6	13.34	6.95	9.25	396.24	393.52	392.28	391.40	355.50	437.34 (13/2)	330.03 (3/1)	437.34 (13/2/80)	97.37 (6/1/75)
99	ALL-SHARE INDEX (750)	271.14	+0.7	—	6.35	—	269.17	270.39	268.95	268.14	248.33	271.14 (20/6)	225.06 (3/1)	283.82 (4/5/79)	61.92 (13/12/74)

FIXED INTEREST PRICE INDICES

	British Government	Fri., June 20	Day's change %	xd adj. today	xd adj. 1980 to date
1	Under 5 years	106.16	+0.66	—	4.99
2	5-15 years	111.89	+0.59	—	6.77
3	Over 15 years	115.95	+0.57	—	7.39
4	Irredeemables	134.96	+1.40	—	6.30
5	All stocks	111.02	+0.62	—	6.29

FIXED INTEREST YIELDS British Govt. Av. Gross Red.

			Fri., June 20	Thurs., June 19	Year ago (approx.)	1980 Highs	1980 Lows
1	Low Coupons	5 years	11.62	11.79	10.61	13.32 (4/3)	11.62 (20/6)
2		15 years	11.62	11.79	11.17	13.12 (4/3)	11.62 (20/6)
3		25 years	11.62	11.79	11.68	13.12 (4/3)	11.62 (20/6)
4	Medium Coupons	5 years	12.99	13.28	12.41	15.37 (4/3)	12.99 (20/6)
5		15 years	13.17	13.22	12.70	14.71 (4/3)	13.20 (18/6)
6		25 years	13.15	13.18	12.71	14.50 (4/3)	13.08 (18/6)
7	High Coupons	5 years	13.12	13.31	12.71	15.44 (4/3)	13.12 (20/6)
8		15 years	13.51	13.57	13.05	15.06 (4/3)	13.05 (18/6)
9		25 years	13.49	13.59	13.06	14.92 (4/3)	13.45 (21/1)
10	Irredeemables		10.90	11.04	11.49	12.53 (21/3)	10.88 (21/1)

		Fri., June 20 Index No.	Yield %	Thur. June 19	Wed. June 18	Tues. June 17	Mon. June 16	Fri. June 13	Thur. June 12	Wed. June 11	Year ago app'x.	1980 Highs	1980 Lows	Since Compilation Highs	Since Compilation Lows
15	20-yr. Red. Deb. & Loans (15)	52.71	14.05	52.67	52.58	52.45	52.14	51.88	51.87	61.80	66.86	52.71 (20/6)	[illegible]	[illegible]	57.06 (6/1/75)
16	Investment Trust Prefs. (15)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
17	Coml. and Indl. Prefs. (20)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Equity Section or Group	Base Date	Base Value	Equity Section or Group	Base Date	Base Value
Pharmaceutical Products	30/12/77	261.77	Industrial Group	31/12/70	128.20
Other Groups	31/12/74	63.75	Miscellaneous Financial	31/12/70	128.06
Overseas Traders	31/12/74	100.00	Food Manufacturing	29/12/67	114.13
Engineering Contractors	31/12/71	153.84	Food Retailing	29/12/67	114.13
Mechanical Engineering	31/12/71	153.84	Insurance Brokers	29/12/67	96.67
Wines and Spirits	16/1/70	144.76	Mining Finance	29/12/67	100.00
Toys and Games	16/1/70	135.72	All Other	10/4/62	100.00
Office Equipment	16/1/70	128.20	British Government	31/12/75	100.00

† Redemption yield. A list of the constituents is available from the Publishers, The Financial Times, Bracken House, Cannon Street, London, EC4, price 15p, by post 25p. A fortnightly record of group and subsection indices, dividend yields and earnings figures since 1962, with quarterly highs and lows of the indices, is obtainable from the Book Sales Department, FT Business Publishing Limited, Minster House, Arthur Street, EC4R 9AX, at £50 per copy.

NEW HIGHS AND LOWS FOR 1980

The following shares quoted in the Share Information Service yesterday attained new Highs and Lows for 1980.

NEW HIGHS (144)

BRITISH FUNDS (27)
CORPORATION LOANS (1)
LOANS (2)
FOREIGN BONDS (1)
AMERICANS (1)
BANKS (6)
BEERS (1)
BUILDINGS (2)
CHEMICALS (1)
DRAPERY & STORES (3)
ELECTRICALS (6)
ENGINEERING (9)
FOODS (4)
HOTELS (1)
INDUSTRIALS (17)
INSURANCE (7)
MOTORS (1)
PAPER (1)
PROPERTY (6)
TEXTILES (1)
TOBACCOS (3)
TRUSTS (29)
OIL & GAS (6)
OVERSEAS TRADERS (1)
TEAS (1)
MINES (7)

NEW LOWS (16)

BUILDINGS (1)
Sheffield Brick
CHEMICALS (2)
Thurgar Bardex Yorks. Chem.
ELECTRICALS (1)
Muirhead
ENGINEERING (1)
Hunt & Moscrop
FOODS (2)
Bishop's Stores Co. A N/V
INDUSTRIALS (5)
Black (P.) Macfarlane
Camrex Rotaprint
Densbyware
SHIPPING (1)
Jacobs (J. I.)
TEXTILES (1)
Lyles (S.)
OIL & GAS (1)
SASOL
MINES (1)
Hemerdon

OPTIONS

First Dealing	Last Dealing	Last Declaration	For Settlement
Jun. 9	Jun. 20	Sept. 11	Sept. 22
Jun. 23	Jul. 4	Sept. 25	Oct. 6
Jul. 7	Jul. 18	Oct. 9	Oct. 20

For rate indications see end of Share Information Service

Recent activity in options subsided with calls dealt in Debenhams, Town and City, Endeavour, Cawoods, Charter Cons., Hambro Life, Montague L. Meyer, De Beers Defd., Seltrust A, British Borneo, ICL, and Beecham. Puts were done in F. H. Lloyd, Pilkington, Shell Transport, FNFC and Grand Metropolitan, while a double was completed in Dunlop.

RECENT ISSUES

EQUITIES

Issue Price p	Amount Paid Up	Latest Renunc. Date	1980 High	1980 Low	Stock	Closing Price p	+ or −	Div. p. or Amount	Times Covered	Gross Yield	P.E. Ratio
85	F.P.	18/6	95	82	Amstrad Cons. Elect.	95	......	bd3.3	3.0	4.9	7.8
55	F.P.	20/6	88	74	Home Farm Prods 10p	88	+3	b2.9	2.5	4.7	12.1
[illegible]											

FIXED INTEREST STOCKS

[illegible]

"RIGHTS" OFFERS

[illegible]

Renunciation date usually last day for dealing free of stamp duty. [illegible]

UNIT TRUST SERVICE

OFFSHORE & OVERSEAS—contd.

Schlesinger International Mngt. Ltd.
41, La Motte St., St. Helier, Jersey. 0534 73588.

[illegible]

FT UNIT TRUST INFORMATION SERVICE

AUTHORISED UNIT TRUSTS

Abbey Unit Tst. Mngrs. (a)
Allen Harvey & Ross Unit Tst. Mngrs.
Allied Hambro Ltd. (a) (b)
Anderson Unit Trust Managers Ltd.
Ansbacher Unit Mgmt. Co. Ltd.
Arbuthnot Securities Ltd. (a)(c)
Archway Unit Tst. Mgrs. Ltd.
Barclays Unicorn Ltd. (a)(c)(g)
Baring Brothers & Co. Ltd.
Bishopsgate Progressive Mgmt. Co.
Bridge Fund Managers (a)(c)
Britannia Trust Management (a)(g)(z)
The British Life Office Ltd.
Brown Shipley & Co. Ltd.
Canada Life Unit Tst. Mngrs. Ltd.
Capel (James) Mngt. Ltd.
Carliol Unit Fd. Mgrs. Ltd.
Carr, Sebag Unit Trust Managers (a)
Charities Official Invest. Fund
Chieftain Trust Managers Ltd.
Chesterton Fund Managers (g)
Confederation Funds Mgt. Ltd. (a)
Craigmount Unit Tst. Mgrs. Ltd.
Crescent Unit Tst. Mgrs. Ltd. (a)(g)
Discretionary Unit Fund Managers
E. F. Winchester Fund Mngt. Ltd.
Emson & Dudley Tst. Mngmt. Ltd.
Equity & Law Un. Tr. M.
Fidelity International Management Ltd.
James Finlay Unit Trust Mngt. Ltd.
Framlington Unit Mgt. Ltd. (a)
Friends' Provdt. Unit Tr. Mgrs.
Funds in Court
G.T. Unit Managers Ltd.
G. & A. Trust (a) (g)
Gartmore Fund Managers (a)(g)
Gibbs (Antony) Unit Tst. Mgrs. Ltd.
Govett (John)
Grieveson Management Co. Ltd.
Guardian Royal Ex. Unit Mgrs. Ltd.
Henderson Administration (a)(b)(c)
Hill Samuel Unit Tst. Mgrs.
Investment Intelligence Ltd.
Key Fund Managers Ltd. (a)(g)
Kleinwort Benson Unit Managers
L & C Unit Trust Management Ltd.
Legal & General Tyndall Fund
Leonine Administration Ltd.
Lloyds Bk. Unit Tst. Mngrs. Ltd. (a)
Lloyd's Life Unit Tst. Mngrs. Ltd.
Local Authorities' Mutual Invest. Tst.
M & G Group (y)(c)(z)
ManuLife Management Ltd.
Mayflower Management Co. Ltd.
Mercury Fund Managers Ltd.
Midland Bank Group Unit Trust Managers Ltd.
Minster Fund Managers Ltd.
MLA Unit Trust Mngmnt. Ltd.
Murray Johnstone U.T. Mgmt. (a)
Mutual Unit Trust Managers (a)(g)
National Provident Inv. Mngrs. Ltd.
National Westminster (a)
NEL Trust Managers Ltd. (a)(g)
Northgate Unit Trust Managers Ltd.
Norwich Union Insurance Group (b)
Pearl Trust Managers Ltd. (a)(g)(z)
Pelican Units Admin. Ltd. (g)(x)
Perpetual Unit Trust Mngmt. (a)
Practical Invest. Co. Ltd. (y)(c)
Provincial Life Inv. Co. Ltd.
Prudl. Portfolio Mngrs. Ltd. (a)(b)(c)
Quilter Management Co. Ltd.
Reliance Unit Mgrs. Ltd.
Ridgefield Management Ltd.
Rothschild Asset Management (g)
Rowan Unit Trust Mngt. Ltd. (a)
Royal Tst. Can. Fd. Mgrs. Ltd.
Saturn Fund Management Limited
Save & Prosper Group
Schlesinger Trust Mngrs. Ltd. (a)(z)
J. Henry Schroder Wagg & Co. Ltd.
Scottish Equitable Fnd. Mgrs. Ltd.
Security Selection Ltd.
Stewart Unit Tst. Managers Ltd. (a)
Sun Alliance Fund Mngt. Ltd.
Target Tst. Mngrs. Ltd. (a)(g)
Tower Unit Trust Mngt. Ltd.
Trades Union Unit Tst. Managers
Transatlantic and Gen. Secs. Co. (y)
TSB Unit Trusts (y)
Tyndall Managers Ltd.
Ulster Bank (a)
Unit Trust Account & Mgmt. Ltd.

INSURANCE PROPERTY BONDS

Abbey Life Assurance Co. Ltd.
Albany Life Assurance Co. Ltd.
AMEV Life Assurance Ltd.
Barclays Life Assur. Co. Ltd.
Beehive Life Assur. Co. Ltd.
Canada Life Assurance Co.
Cannon Assurance Ltd.
Capital Life Assurance
Charterhouse Magna Gp.
Chieftain Assurance Funds
City of Westminster Assurance
Commercial Union Group
Confederation Life Insurance Co.
Cornhill Insurance Co. Ltd.
Credit & Commerce Insurance
Crown Life
Crusader Insurance Co. Ltd.
Eagle Star Insur./Midland Assur.
Equity & Law Life Ass. Soc. Ltd.
Equity & Law (Managed Funds) Ltd.
Family Assurance Society
Gartmore Bonds
Assicurazioni GENERALI S.p.A.
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Gresham Life Ass. Soc. Ltd.
Growth & Sec. Life Ass. Soc. Ltd.
Guardian Royal Exchange
Hambro Life Assurance Limited
Hearts of Oak Benefit Society
Hill Samuel Life Assur. Ltd.
Imperial Life Ass. Co. of Canada
Irish Life Assurance Co. Ltd.
King & Shaxson Ltd.
Langham Life Assur. Co. Ltd.
Legal & General (Unit Assur.) Ltd.
Legal & General Prop. Fd. Mgrs. Ltd.
Life Assur. Co. of Pennsylvania
Lloyds Life Assurance
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London Indemnity & Gnl. Ins. Co. Ltd.
London Life Linked Assur. Ltd.
The London & Manchester Ass. Gp.
M & G Group
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Merchant Investors Assurance
NEL Pensions Ltd.
NPI Pensions Management Ltd.
New Zealand Ins. Co. (UK) Ltd.
Norwich Union Insurance Group
Phoenix Assurance Co. Ltd.
Planned Savings Group
Prop. Equity & Life Ass. Co.
Property Growth Assur. Co. Ltd.
Providence Capitol Life Ass. Co. Ltd.
Provincial Life Assurance Co. Ltd.
Prudential Pensions Limited
Reliance Mutual
Rothschild Asset Management
Royal Insurance Group
Save & Prosper Group
Schroder Life Group
Scottish Widows' Group
Skandia Life Assurance Co. Ltd.
Solar Life Assurance Limited
Standard Life Assurance Company
Sun Alliance Fund Mangmt. Ltd.
Sun Alliance Linked Life Ins. Ltd.
Sun Life of Canada (UK) Ltd.
Sun Life Unit Assurance Ltd.
Sun Life Pensions Management Ltd.
Target Life Assurance Co. Ltd.
Transinternational Life Ins. Co. Ltd.
Trident Life Assurance Co. Ltd.
Tyndall Assurance/Pensions
Vanbrugh Life Assurance
Vanbrugh Pensions Limited
Welfare Insurance Co. Ltd.
Windsor Life Assur. Co. Ltd.

OFFSHORE & OVERSEAS FUNDS

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Alexander Fund
Allen Harvey & Ross Inv. Mgt. (C.I.)
Alliance International Dollar Reserves
Arbuthnot Securities (C.I.) Limited
Bank of America International S.A.
Banque Bruxelles Lambert
Barbican Managers (Jersey) Ltd.
Barclays Unicorn International
Bishopsgate Commodity Ser. Ltd.
Bishopsgate Progressive Mgmt. Agents
Bridge Management Ltd.
Britannia Tst. Mngmt. (C.I.) Ltd.
Brown Shipley Tst. Co. (Jersey) Ltd.
Butterfield Management Co. Ltd.
Capital International S.A.
Charterhouse Japhet
Clive Investments (Jersey) Ltd.
Cornhill Ins. (Guernsey) Ltd.
Craigmount Fund Int. Mngrs. (Jersey)
DWS Deutsche Ges. F. Wertpapiersp
Delta Group
Deutscher Investment-Trust
Dreyfus Intercontinental Inv. Fd.
Emson & Dudley Tst. Mgt. Jrsy. Ltd.
The English Association
Eurobond Holdings N.V.
F & C Mgmt. Ltd. Inv. Advisers
Fidelity Mgmt. & Res. (Bda.) Ltd.
Fidelity Mgmt. Research (Jersey) Ltd.
First Viking Commodity Trusts
Fleming Japan Fund S.A.
Frankfurt Trust Investment-GmbH
Free World Fund Ltd.
G.T. Management Ltd.
Gartmore Invest. Ltd. Ldn. Agts.
Gartmore Fund Managers (C.I.) Ltd.
Hambro Pacific Fund Mgmt. Ltd.
Hambros Fd. Mgrs. (C.I.) Ltd.
Henderson Admin. (Guernsey) Ltd.
Henderson Baring Group
Hill-Samuel & Co. (Guernsey) Ltd.
Hill Samuel Invest. Mgmt. Intnl.
N.V. Interbeheer
International Pacific Inv. Mgmt. Ltd.
Jardine Fleming & Co. Ltd.
Leopold Joseph & Sons (Guernsey)
Kemp-Gee Management Jersey Ltd.
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[illegible]

Five to Fifteen Years

[illegible]

Over Fifteen Years

[illegible]

Undated

[illegible]

INTERNATIONAL BANK

[illegible]

CORPORATION LOANS

[illegible]

COMMONWEALTH AND AFRICAN LOANS

[illegible]

LOANS

Public Board and Ind.

High	Low	Stock	Price	+ or -	Int.	Red.
61¾	56½	Agric. Mt. 5pc '59-89	60½xd	.....	8.24	12.33
80	73½	Alcan 10½pc '89-94	78xd	-½	13.46	14.20
28½	25	Met. Wtr. 3pc 'B'	28½	.....	10.85	12.91
103	89	U.S.M.C. 9pc 1982	103xd	+1½	8.73	—
92	85½	Do. without Warrants	90½xd	+½	9.94	14.20

LOANS—Continued

Financial

[illegible]

FOREIGN BONDS & RAILS

[illegible]

AMERICANS

[illegible]

CANADIANS

[illegible]

BANKS AND HIRE PURCHASE

High	Low	Stock	Price	+ or -	Div. Net	Cvr	Gr's	P/E
244	202	ANZ $A1	223xd	.....	†Q22c	3.7	5.0	5.6
250	183	Alexanders D. £1	243	.....	16.0	—	9.2	—
£76½	£56	Algemene Fl.100	£64½	-½	Q25%	1.9	7.3	6.9
365	290	Allen Harvey £1	360	.....	21.5	—	8.5	—
128	96	Allied Irish	110	.....	3.93	—	7.9	—
17	13	Arbacher (H.) 5p	15¼	.....	0.15	—	1.4	—
235	180	Arbuthnot L. £1	225	-2	11.0	—	7.9	—
360	280	Bk. Ireland £1	295	.....	Q23.5	—	7.7	—
£162	£134	Do. 10pc Conv.	£133	.....	Q10%	—	17.4	—
8	5	Bk. Leumi $0.1	6	.....	Q11.4%	—	22.1	—
120	100	Bk. Leumi (UK) £1	120	.....	8.57	—	10.7	—
178	135	Bk. N.S.W. $A1	142xd	+5	Q16c	ф	5.6	ф

BANKS & HP—Continued

[illegible]

Hire Purchase, etc.

[illegible]

BEERS, WINES AND SPIRITS

[illegible]

BUILDING INDUSTRY, TIMBER AND ROADS

[illegible]

CHEMICALS, PLASTICS

[illegible]

CHEMICALS, PLASTICS—Cont.

[illegible]

DRAPERY AND STORES

[illegible]

ELECTRICALS

[illegible]

ENGINEERING MACHINE TOOLS

[illegible]

ENGINEERING—Continued

[illegible]

FOOD, GROCERIES, ETC.

[illegible]

FOOD, GROCERIES—Cont.

[illegible]

HOTELS AND CATERERS

[illegible]

INDUSTRIALS (Miscel.)

[illegible]

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O.F.S.

Finance

Diamond and Platinum

Central African

MINES—Continued

Australian

Tins

Copper

Miscellaneous

1980 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
180	78½	Anglo-Dominion	150	......	—	—	—
97	56	Barymin	57	−1	—	—	—
17	12	Burma Mines 10p	15	......	0.62	1.1	6.0
502	320	Cons. Murch. 10c	320	......	MQ100c	1.8	18.6
180	125	††Hemerdon 10c.	125	−5	—	—	—
585	325	Northgate C$1	390	−5	—	—	—
485	327	R.T.Z.	425	+17	15.0	3.2	5.0
33	16	Robert Mines	24	−2	—	—	—
58	26	Sabina Inds. C$1.	30	......	—	—	—
51	44	††SWCM 10p	50	−1	—	—	—
650	411	Tara Exptn. $1	450	−10	—	—	—

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on "net" distribution basis, earnings per share being computed on profit after taxation and unrelieved ACT where applicable; bracketed figures indicate 10 per cent or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution; this compares gross dividend costs to profit after taxation, excluding exceptional profits/losses but including estimated extent of offsettable ACT. Yields are based on middle prices, are gross, adjusted to ACT of 30 per cent and allow for value of declared distribution and rights.

- ● "Tap Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents on application.
- φ Figures or report awaited.
- †† Unlisted security.
- # Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividends or forecasts.
- ◆ Merger bid or reorganisation in progress.
- ♣ Not comparable.
- ♠ Same interim: reduced final and/or reduced earnings indicated.
- § Forecast dividend; cover on earnings updated by latest interim statement.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ★ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ♥ Excluding a final dividend declaration.
- ✻ Regional price.
- ¶ No par value.

§§ Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock. a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Tax free up to 30p in the £. w Yield allows for currency clause. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Minimum tender price. F Dividend and yield based on prospectus or other official estimates for 1979-80. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1980-81. K Figures based on prospectus or other official estimates for 1979-80. M Dividend and yield based on prospectus or other official estimates for 1980. N Dividend and yield based on prospectus or other official estimates for 1979. P Figures based on prospectus or other official estimates for 1978-79. Q Gross. T Figures assumed. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xR ex capital distribution.

REGIONAL MARKETS

The following is a selection of London quotations of shares previously listed only in regional markets. Prices of Irish issues, most of which are not officially listed in London, are as quoted on the Irish exchange.

Albany Inv. 20p	30	......
Bertam	17	......
Bdg'wtr. Est. 50p	415	−5
Clover Croft	60	......
Craig & Rose £1	£10½	......
Fife Forge	32½	......
Finlay Pkg. 5p	18	......
Graig Ship. £1	£15	−½
Higsons Brew.	75	......
Holt (Jos) 25p	250	......
I.O.M. Stm. £1	187	+2
Pearce (C. H.)	455	......
Peel Mills	40	......
Sheff. Refrsht.	103	......
Sindall (Wm.)	143	......

IRISH

Conv. 9% '80/82	£89¾	......
Nat. 9¾% 84/89	£79¾	......
Fin. 13% 97/02	£89⅜	......
Alliance Gas	43	−2
Arnott	360	......
Carroll (P.J.)	57xd	......
Clondalkin	120	......
Concrete Prods.	75	......
Helton (Hldgs.)	35	......
Ins. Corp.	245	......
Irish Ropes	55	......
Jacob	32	......
T.M.G.	85	......
Unidare	93	......

OPTIONS
3-month Call Rates

Industrials					
A. Brew	7	I.C.I.	27	Utd. Drapery	6½
BOC Intl.	6	"Imps"	6½	Vickers	12
B.S.R.	4½	I.C.L.	24	Woolworths	5½
Babcock	8	Imerest	4		
Barclays Bank	34	Ladbroke	15	Property	
Beecham	30	Legal & Gen.	15	Brit. Land	7
Blue Circle	25	Lex Service	0	Cap. Counties	9
Boots	16	Lloyds Bank	24	Land Secs.	24
Bowaters	15	"Lofs"	3½	MEPC	17
B.A.T.	20	London Brick	6	Peachey	13
Brown (J.)	6	Lucas Inds.	17	Samuel Props.	12
Burton 'A'	10	"Mams"	14	Town & City	2
Cadburys	5½	Mrks. & Spncr	8		
Courtaulds	8	Midland Bank	26	Oils	
Debenhams	8	N.E.I.	5	Brit. Petroleum	32
Distillers	17	Nat. West. Bank	27	Burmah Oil	20
Dunlop	7½	P & O Dfd.	10	Charterhall	10
Eagle Star	15	Plessey	14	KCA	11
F.N.F.C.	2¼	Racal Elect.	22	Premier	13
Gen. Accident	21	R.H.M.	4½	Shell	35
Gen. Electric	30	Rank Org.	15	Tricentrol	40
Glaxo	18	Reed Intnl.	16	Ultramar	35
Grand Met.	12	Sears	5		
G.U.S. 'A'	34	Tesco	6	Mines	
Guardian	23	Thorn	23	Charter Cons.	14
G.K.N.	20	Trust Houses	12	Cons. Gold	40
Hawker Sidd.	25	Tube Invest.	23	Lonrho	8
House of Fraser	15	Unilever	40	Rio T. Zinc	35
		U.D.T.	5½		

A selection of Options traded is given on the London Stock Exchange Report page

"Recent Issues" and "Rights" Page 24

This service is available to every Company dealt in on Stock Exchanges throughout the United Kingdom for a fee of £500 per annum for each security

FINANCIAL TIMES
Saturday June 21 1980

MAN OF THE WEEK

Round one to Harrods

BY JOHN MOORE

"I WON a medal for some of my cattle on Monday at the Highland Show. I thought it was a good omen for the week," mused Sir Hugh Fraser on his notable victory over Tiny Rowland of Lonrho.

On a wet blustery Thursday at the Merchants House, Glasgow, Sir Hugh, 43-year-old chairman of House of Fraser, trounced the attempts of Lonrho to gain more influence over his company's affairs. The victory may be only temporary and clearly Sir Hugh does not regard the fight as yet over. "It is a bit like a boxing match. This is the end of round one."

Lonrho is House of Fraser's largest shareholder but all the energetic Mr. Rowland would say after his defeat was that there were three options open to Lonrho: to hang on to House of Fraser; to sell or to bid.

Sir Hugh and Tiny Rowland, a non-executive deputy chairman of Fraser, are as different as chalk and cheese. A diffident Scotsman, who lives outside Glasgow, Sir Hugh is 20 years Mr. Rowland's junior. He

Sir Hugh Fraser
Does not regard the fight as yet over.

admits to having been impressed by the personal qualities of Mr. Rowland but feels "sore about the battle. Some unkind and unfair things were said."

While Sir Hugh was criticised this week by one shareholder who sided with the Lonrho camp as a "charming and intelligent man," but who was "not in the same league as Mr. Rowland in entrepreneurial skill and drive" his talents in the retail trade have been widely praised.

Sir Hugh's company owns 112 department stores, including the top people's shop, Harrods. Other famous names also figure in the Fraser empire: such as Army and Navy, Barkers, Chiesmans, D. H. Evans, and Dickens and Jones. It owns eight specialist shops such as Astral Sports and Leisure, the sports goods retailers. Group pre-tax profits in the last financial year were £37.15m on turnover of £700m.

Sir Hugh is the fourth Fraser to head the empire and took over from his father, Lord Fraser of Allander. He had been brought into the company at the age of 16, and worked his way through the business before becoming chairman on his father's death in 1966.

He renounced his father's peerage claiming at the time that "he should be remembered as the one and only Lord Fraser." It was after all Sir Hugh's father who brought Harrods into the Fraser empire.

Sir Hugh could have easily been regarded as the ordinary son of a famous father and certainly an unsettled private life did not help. Two broken marriages, and an enthusiasm for gambling kept his personal life in the headlines. So did discussion of his personal share dealings in Scottish and Universal Investments, a one time family holding company which was taken over by Lonrho.

He has been responsible for changing the image of Harrods, away from being the sole preserve of dowagers and matrons with blue rinsed hair. He personally introduced the "Way-in" boutique at Harrods in 1967 identifying the important youth market which was becoming increasingly fashion conscious.

Sir Hugh is obviously motivated to protect and develop the group because he still regards it as a family business. Although an essentially lonely man, he attracts a strong personal loyalty from his board, staff, and shareholders, something which surprised Lonrho this week when it only raised the support of independent shareholders representing 4m out of the total 151m shares to its cause.

VENICE MEETING IS FIRST AFTER AFGHANISTAN INVASION

Inflation will dominate summit

BY REGINALD DALE

INFLATION, energy and relations with developing countries are expected to dominate the two-day world economic summit that opens in Venice on Sunday.

But the leaders of the seven largest Western industrial democracies are likely to pay much more attention to international political developments than at past such meetings largely because of the Soviet invasion of Afghanistan.

On the economic front, no major initiatives are forecast by those involved in preparation of the summit, which will be attended by leaders of the U.S., Canada, Japan, West Germany, France, Britain and Italy.

Mrs. Thatcher will call for a concerted international onslaught on inflation.

The summit is likely to ask the oil-producing countries to find ways to ensure that more of their oil surpluses go to help the Third World, either through recycling schemes or direct aid.

Proposals are likely to be raised for a dialogue between the oil producers, industrialised oil consumers and developing countries. This is much favoured by Chancellor Helmut Schmidt of West Germany, although Britain remains to be convinced that the time is ripe for such a move.

A French plan for world monetary reform, promised for Venice, has shown no signs of materialising so far. If President Giscard d'Estaing produces proposals, the other leaders are unlikely to be sufficiently prepared to give an immediate reaction.

Politically, the seven will want to show a united front at their first meeting since the invasion of Afghanistan and the American hostage crisis in Iran. Preoccupation over Afghanistan is likely to set the tone for wider discussion of East-West relations.

Herr Schmidt will have a chance to convince President Carter that he will not be dividing the West with a new arms control proposal when he visits Moscow for talks with President Brezhnev in 10 days. President Carter has expressed concern that Bonn may undermine NATO's decision to modernise nuclear weapons in Europe by proposing a three-year freeze on new long-range missiles on both sides.

In private talks with President Carter this evening, Herr Schmidt will doubtless explain that his position is consistent with the NATO decision.

Mrs. Thatcher will be having private talks with President Carter, but she has not as yet scheduled bilateral meetings with the other participants.

U.S.-European positions also differ on the Middle East peace negotiations, after the statement calling for a greater role for the Palestine Liberation Organisation at last week's EEC Venice summit. This means the seven will probably refer only briefly to the Middle East in their final communique.

The Japanese delegation will be led by Mr. Saburo Okita, the Foreign Minister.

Dan-Air lowers fares to woo rail passengers

BY LYNTON McLAIN

NEW CHEAP domestic air fares intended to win business from British Rail high-speed Inter-City services are to be introduced by Dan-Air next month. This follows a successful experiment on "late-saver" flights between London and Newcastle.

Late-saver fares guarantee a seat, unlike stand-by fares. Bookings must be made after one o'clock for any flight departing up to one o'clock the following day.

The scheme gives a £22 to Newcastle comparable with British Rail's second class single fare of £21.50. There will be similar low rates on six other domestic routes.

Five start from Newcastle—to Birmingham, Cardiff, Belfast, Bournemouth and Manchester. The airline proposes to seek Civil Aviation Authority permission for a £28 single fare between London and Aberdeen.

Dan-Air said the scheme was aimed at the British Rail market, where most tickets are bought for instant travel.

British Rail fares have increased steadily in the past two years. On some routes where it has an almost captive market—such as the medium-distance Inter-City routes—fares have risen substantially faster than inflation.

British Rail said last night it was not worried about the Dan-Air scheme. "We are not afraid of competition." It pointed to travel between airport and city centre, the time and cost of which had to be added to an airline's rates and performance.

British Rail already faces competition from British Airways, British Caledonian Airways and Dan-Air on the London to Newcastle route. The single British Airways and Dan-Air fare is cheaper than the first-class single rail ticket.

The battle for passengers is expected to intensify with the prospect of a rail fare increase in the autumn.

AIR FARE CHALLENGE TO BR

Newcastle to:	BR single 1st	BR single 2nd	Dan-Air single "Late saver" fare	British Airways single standby, weekend only
London	£30.80	£21.50	£22 incl. meal	£27.50
Birmingham	£21.90	£14.20	£20	no service
Cardiff	£36.60	£20.30	£22	no service
Belfast	—	£17.02 via Stranraer	£22	£27.00
Bournemouth	£37.00	£24.60 direct £29.40 via London	£25	no service
Manchester	£14.60	£9.30	£18	£22.50

BP tanker orders give Harland and Wolff £50m reprieve

BY OUR BELFAST CORRESPONDENT

BRITISH PETROLEUM has ordered two oil tankers worth more than £50m from Harland and Wolff, the Belfast shipyard awaiting the outcome of a Government financing review.

The ships, each of 109,000 deadweight tonnes, are the same as two tankers currently under construction for BP: one at Scott Lithgow, on the Clyde and the other at Swan Hunter on Tyneside, both British Shipbuilders' yards.

BP is asking the Belfast shipyard for deliveries by late 1982 and mid-1983, a tight schedule which Sir Brian Morton, Harland and Wolff's chairman, said he was confident the company could meet.

Harland and Wolff has three British Rail ferries and two liquid gas carriers on its order book, but was due to run out of work next year.

The BP order will give much needed employment to employees in steel trades within the shipyard whose jobs were threatened, but the Government yesterday warned that it would provide only a breathing space.

Mr. Giles Shaw, Parliamentary Under Secretary responsible for Northern Ireland industry, said: "This does not by itself guarantee the future of the shipyard.

"It is vital that everyone in Harland and Wolff recognises there is no secure future until competitive productivity levels are restored."

The Government statement about funding for the shipyard is expected within two weeks. Some further redundancies among the 7,000 labour force may still be necessary.

The tanker orders will mean a return to building larger vessels at Harland and Wolff. The company's facilities are geared to large oil carriers, and it found it difficult to switch to smaller vessels such as 8,000 gross tonne ferries for British Rail.

This was one of the reasons behind the delay in the construction of these ships. Fast delivery of the BP tankers will be vital to the yard's reputation and future order prospects.

Selection Trust shares soar

BY CHRISTINE MOIR

THE MARKET value of Selection Trust, the mining finance house which has received a bid approach from British Petroleum, continued to soar yesterday to £373m or £11.75p a share.

This represents a 67 per cent increase since talks were announced early on Thursday.

The market was not caught entirely flat footed by BP's surprise move, however. On Wednesday the shares rose by 22p to 704p on the day having been as high as 712p. Expectations of a bid, though described as "vague rumours" in Thursday's Financial Times, were keeping the market active.

Yesterday, the Stock Exchange said it was beginning a preliminary inquiry into the shares' movement ahead of the announcement, following a routine monitoring exercise.

BP approached Selection Trust, which has widespread international mineral mining interests, on Tuesday. The approach was announced just before the market opened on Thursday and a board meeting of Selection, later that day, authorised formal discussions.

These will continue for some days with both parties making close appraisals of the group's true asset value. In the last balance sheet these were put at £113m but a further £136m could have been added to that by assessing the market value of the group's investments—such as its 7 per cent stake in Amax.

Hongkong Land in £285m share bid

By David Dodwell in Hong Kong

HONGKONG'S LARGEST property company, Hongkong Land, yesterday announced plans to boost its stake in the the Hongkong and Kowloon Wharf and Godown Company from 20 per cent to 49 per cent, at a cost of about $HK3.3bn (£285m).

The offer brings to a head a struggle for control of the Wharf company between Hongkong Land, which is linked to the Jardine Matheson group, the shipping magnate, Sir Yue-kong Pao, whose World Wide group is currently the largest shareholder in Wharf, with about 30 per cent.

Hongkong Land's offer, involving two ordinary shares in Hongkong Land plus $HK75.60 in new 10 per cent loan stock for every Wharf share, values the shares at about $HK 100—about $HK23 above their market price when trading was suspended early yesterday.

Hong Hong Land already owns 23m Wharf shares, per cent of a total of 109.5m on issue and 7.1m on outstading bearer warrants. It must obtain another 33.7m shares to win a 49 per cent interest.

Mr. David Newbigging, who as well as being chairman of Wharf is chairman of Hong Kong Land and of Jardine Matheson (which has a 25 per cent stake in Hong Kong Land and an undisclosed holding in the Wharf), refused to comment on the Hong Kong Land plans. Wharf announced that the Board will meet on Monday.

Sir Yue-Kong, said in Paris yesterday, that he had not been told previously of the offer, and could not comment. He is expected to return promptly to Hong Kong and brokers in the Colony thought he might make a counter offer.

Most of Hongkong Land's interests are on Hong Kong Island, whereas Wharf has growing property interests

It owns the massive Ocean Terminal complex, the Harbour City development (not yet complete), three hotels and cargo handling facilities.

Hongkong Land has revised profit forecasts for the current year downwards by HK$25m to HK$425m. Some analysts predict a bigger fall—up to HK$60m this year, and, with the deal, by perhaps as much as HK$160m in a full financial year.

Earnings per share could be diluted by as much as 40 per cent. Interest repayments on the loan stock could be HK$100m for the remainder of the year.

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THE LEX COLUMN

When the natives are restless

Foreigners like tap issues—it can seem easier to buy directly from the Government than to trade in an unfamiliar secondary market—and the gilt-edged market responded cheerfully to yesterday's expected news of two new stocks. At present the behaviour of the gilt-edged market is determined mainly by foreigners and domestic investors trying to second-guess what the foreigners are going to do. In the circumstances, dealers shudder to think about the consequences if the overseas buyers were to turn suddenly into sellers; but the fact is that the FT Government Securities Index rose yesterday to touch a new peak for 1980 at 70.53.

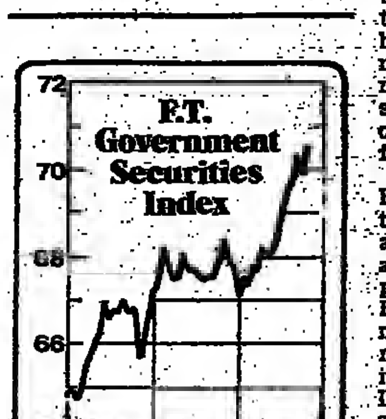
Why are overseas investors putting so much money into the sterling markets? Part of the answer is that the amounts involved, though measured in billions of pounds, are not all that big compared with the OPEC surpluses now washing around the international financial system. And the amount going into gilt-edged represents little more than the fun money of international bond portfolio managers who see sterling bonds as currently one of the hot sectors.

Sterling still retains a petrocurrency appeal. And sterling bond rates appear, to the foreigner, to be out of line with rates obtaining elsewhere. If the Government's monetary strategy holds, interest rates simply have to tumble a long way.

But what looks clear enough from Zurich or New York becomes fuzzier the closer you get to the shores of Britain. As for the natives, the Bank of England this week was warning in its quarterly Bulletin of the alarming pattern of wage rises. The way things are developing, wages are simply not adjusting to the monetary targets. Thursday's money supply figures for May indicated that the pressures are showing in various ways—very high public spending, for instance, and an overshoot in sterling M3.

The frustrating aspect is that there is no obvious indication that these conflicts are going to be resolved one way or the other for some time yet. In producing two more taps—taking the total nominal amount issued this calendar year to more than £7bn—the authorities are plugging on with the same old policies. The long stock, £1bn of 13 per cent Treasury 2000, which runs in £30 paid form right through until early August, could be reasonably heavily bought by bulls looking some way ahead; but the fully paid short (technically just a medium), a further £600m of 12¼ per cent Exchequer 1985, does not appear to be pitched at a very attractive point of the yield curve.

Index rose 6.4 to 471.8



Harrisons

Harrisons and Crosfield wants to get bigger inchemicals and is asking its shareholders for about £50m to help it on the way. The group is hardly stretched in financial terms, since its latest balance sheet contains £42m of cash compared with total borrowings of £72m and its shareholders' funds of £153m rise to about £262m after incorporating up-to-date asset valuations. However, most of the cash is in Harrisons Malaysian Estates, where there is a 20 per cent minority interest. A slice of new equity will undoubtedly be a big help to a management which seems bent on further moves away from the original plantation interests.

Whether these investment will actually benefit shareholders is another matter. Harrisons gives no indication of the current return on capital employed in the chemical business, or of the rate of profits which it regards as being achievable in the future. Nor are there any current cost figures for the enterprise as a whole.

The one certainty is that plantations are a lot more profitable than chemicals in terms of their return on sales (40 per cent against 7 per cent) and that the plantation side makes an attractive return on its recently revalued estates. Harrisons' current stock market valuation is £350m. Its holdings in HME and its quoted associate interests are worth roughly three-quarters of this figure at recent market values, and when you add in the value of the group's timber and trading interests it is clear that the stock market does not attribute too much to the investment in chemicals. By early next year, Harrisons will have spent some £51m on this side of its business in the space of four years.

The future ownership of HME is an open question, for the group still has to reach agreement with the local authorities for "Bumiputra" participation in the company. Harrisons says that the development of chemical activities has nothing to do with the fact that its stake in plantations seems likely to be reduced. All the same, it is tempting to compare yesterday's issue with BP's approach to Selection Trust, announced on Thursday.

In both cases, companies are exploiting the wealth of one very profitable—but probably diminishing—asset to build up their interests in other areas. The question is whether management should be pre-empting the shareholders' investment role in this way.

Wedgwood

Yesterday's figures from Wedgwood provide a depressing curtain-raiser to the group's 250th anniversary celebrations. Operating margins have fallen a full three points and, at 8.4 per cent, are at their lowest ebb for decades. The profits slide accelerated in the final quarter, principally because of a £640,000 exceptional loss at Galway Crystal, and there are few signs of recovery.

Wedgwood has held on to volume by paring margins and, despite the strong pound, boosted export sales by a quarter to almost £60m last year. The danger now is that, with the recession biting in the U.S. and Europe, sales will themselves come under strong pressure. The more expensive product lines are insulated to an extent by the prestige of the Wedgwood name and will benefit from sales of their anniversary goods, but cheaper tableware could be hit hard. The group is pruning costs and deferring capital expenditure. It can also expect some alleviation of its two main problems—high interest rates and a strong pound.

Yet the market is rightly taking a cautious view. The shares, down 1p at 63p yesterday, offer a yield of 10 per cent. Wedgwood is well placed to take advantage of an eventual improvement in trading conditions, but the p/e of 5.5 on reported earnings looks more to the near term.

Weather

UK TODAY

COOL with showers and bright intervals.

All of UK

Showers. Sunny intervals. Max. 17C (14F).

Outlook: Little change.

WORLDWIDE

		Y'day midday °C	°F			Y'day midday °C	°F
Ajaccio	S	22	72	Locarno	C	21	70
Amsdm.	R	13	55	London	F	17	63
Athens	F	24	75	Luxmbg.	C	13	55
Bahrain	S	35	95	Luxor	S	42	108
Barclna.	C	23	73	Madrid	S	29	84
Belfast	F	11	52	Majorca	F	25	77
Blgrd.	F	21	70	Malaga	S	23	73
Berlin	C	14	57	Malta	S	23	73
Biarritz	C	18	64	Mchstr.	C	13	55
Bmghm.	R	14	57	Melbne.	S	10	50
Blackpl.	C	13	55	Milan	F	25	77
Bordx.	F	17	63	Moscow	S	23	73
Boulgn.	S	14	57	Munich	C	12	54
Bristol	C	14	57	Naples	S	25	77
Brussels	S	16	61	Nwcstl.	C	13	55

		°C	°F			°C	°F
Budpst.	F	23	73	N. York	C	20	68
B. Aires	S	10	48	Nice	F	22	72
Cairo	S	35	96	Nicosia	F	25	77
Cardiff	F	14	57	Oporto	S	22	72
Cape T.	C	16	61	Oslo	F	13	55
Chicago	S	20	68	Paris	C	16	61
Cologne	C	16	61	Perth	R	18	64
Cpnhgn.	F	16	61	Prague	C	17	63
Corfu	S	27	81	Reykjvk.	C	12	54
Dublin	F	13	55	Rhodes	S	24	75
Dbrvnk.	S	24	75	Rio J'o	C	25	77
Ednbgh.	C	13	55	Rome	S	24	75
Frankf't	R	14	57	Salzb'rg	R	12	54
Funchal	C	20	68	Singapr.	S	26	79
Geneva	C	16	61	Stckhm.	C	16	61
Gibrltr.	S	27	81	Strasbg.	C	17	63
Glasgow	R	11	52	Sydney	S	16	61
G'msey	C	13	55	Tehran	S	28	82
Helsinki	R	19	66	Tel Aviv	S	27	81
H. Kong	S	33	91	Tenerife	F	19	66
Innsbr'k	R	15	59	Tokyo	R	20	68
Invrnss.	R	15	59	Toronto	C	11	52
I.o.Man	C	13	55	Valencia	F	23	73
Istanbul	F	23	73	Venice	F	24	75
Jersey	C	14	57	Vienna	C	22	72
Jo'burg	S	12	54	Warsaw	F	19	66
L. Plms.	F	23	73	Zurich	C	14	57
Lisbon	S	22	72				

C—Cloudy. F—Fair. Fg—Fog. R—Rain. S—Sunny. Sl—Sleet. Sn—Snow.

Continued from Page 1

Two new tap stocks

shows a desire not to disturb current interest rate relationships, known as the yield curve. Tenders for both stocks have to be submitted by next Wednesday morning.

The smaller issue consists of £600m of 12¼ per cent Exchequer 1985, of which £40 per cent is due next Wednesday, with the balance on August 1. The minimum tender price will be £98.25 per cent, where the flat yield is 12.47 per cent and gross redemption yield is 12.72 per cent.

The larger issue consists of £1bn of 13 per cent Treasury 2000, of which £30 per cent is due with tenders, with £45 per cent on August 8 and the balance on August 29.

The minimum tender price will be £96 per cent, where the flat yield is 13.54 per cent and the gross redemption yield is 13.59 per cent.

There has been some controversy about the continued issuing of high-yielding stocks with maturity dates until the end of the century and beyond. It is argued that this is incompatible with the Government's commitment to reduce inflation.

If the rate of price rises falls substantially, there will be a large real burden of debt interest to be paid by taxpayers.

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